The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Will Nanking Fight When Japan Restores Pu-Yi to Dragon Throne?

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Unemployed "White Collar" Workers and the North China Student Demonstrations

Chinese and Japanese Scholars Exchange Views on Sino-Japanese Relations

Negotiations for Settlement of Hopei-Chahar Issues Proceed in Tientsin; Reds Again Active in Kweichow

The Subtleness of Bolshevik Propaganda

Why the Shanghai Ricsha Coolies Are Discontented

New Hupeh Chairman, Yang Yin-tai, Declares His Policy

(By the Review's Hankow Correspondent)

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Hu Han-min's Comeback . . . . . By C. Y. Hsieh

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The China Weekly

REVIEW

Formerly Millard's Review

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WHY THE SHANGHAI RICSHA COOLIES ARE DISCONTENTED

ANOTHER ugly incident has occurred in connection with the ricsha coolies in Shanghai and on the whole it may be said that it is not surprising. At the bottom of the whole ricsha situation is the fact—which should not be lost sight of—that the most important object which it was hoped to obtain for the amelioration of the lot of the coolies by the establishing of the Ricsha Board, namely an increase in the fares from the public, is a farce pure and simple. The fact that it is a farce may not have impressed itself upon the mind of the average member of the public, but it certainly has impressed itself on the minds of the ricsha coolies and they are the ones principally concerned. With such a foundation it is only natural that the coolies should view the whole attempt at regulation as a bit of nonsense, seeing that the very foundation of the whole scheme is a bluff. What is the use of hectoring the poor coolies with regulations and licenses and inspections all in the name of improving their lot, when they know that the most important thing that is supposed to be attained for them is not attained? The situation so far as the income of the coolies is concerned has not been changed one iota so far as their Chinese clientele is concerned, and it has only been changed very little so far as the resident foreign clientele is concerned. Prospective Chinese customers now as always bargain with the coolies beforehand as to the fare and pay not the least attention to the official fares placed on the little plate on the arm rest. Foreign riders, the number of whom is much less than that of the Chinese, do not bargain, but if they find the official fares higher than they care to pay they simply use trams or buses; or take their ride and pay the coolies as little as they can without raising a row. The only class of ricsha clients that really are affected by the official rates are the tourists, and the proportion of such as compared with the whole number is very small indeed. Tourists naturally pay more for their rides than the average local resident does, and to this extent the ricsha coolies' revenue is increased; but even here the average difference is inconsequential, because, without regulation the

coolies could successfully bluff the average tourist into paying an exorbitant fee, but now with the posting of the rates visibly they are largely prevented from doing so. But if the lot of the ricsha coolies has not been improved, there is one class of people whose lot has been very much improved as the result of the formation of the Ricsha Board, and that is the Muncipal staff that it employs at quite handsome salaries. That the Ratepayers—both Chinese and foreign—have to pay for.

SOAP MANUFACTURE—A HIGHLY COMPETITIVE LOCAL INDUSTRY

THE foundations of one of the wealthiest foreign families in China were laid in soap—not in the sense that the Colgate and Lever fortunes were, that is by manufacturing it, but by importing it. In the "good old days" when the effective average import duty into China was less than four per cent and when the factory system in this country as it has been developed in the intervening decades was still unknown, a British merchant hit on the happy idea of introducing a well-known brand of laundry soap from his own country to this country. The soap was good and by dint of careful merchandizing and persistent advertising the merchant impressed it on the minds of many millions of residents in China that there was only one kind of laundry soap that was really worth washing with and that was the brand he was importing. For decades that brand has been a household word in China and it came here almost by the shipload. Naturally he became rich. The firm which he founded branched out into wheat import, silk export, silk filatures and, as important as any, real estate in Shanghai.

The import of this soap has in recent years practically ceased. The "chop" has been taken over by a locally formed company, a branch of the parent company in England, and in the modern plant which has been erected here not only this soap but many other kinds are manufactured. The reason, of course, for manufacturing the soap here has been to escape the considerable duties which this product and also many other products have to pay since China became master in her own house so far as the fixing of import duties is concerned. The company manufacturing this soap has one of the finest plants in the world and is selling its products at very cheap prices. It is not, however, having things entirely its own way, and many Chinese factories, admittedly not as up-to-date but having the advantage of getting more work out of the local labor and also being able to buy many of the component parts at cheaper prices—incidentally also capitalizing the growing sentiment in this country to buy "Love your country products" is giving the large foreign company strong competition, the end of which is not yet in sight. In the meantime, both the said foreign company and the numerous Chinese competitors are carrying on lavish advertising campaigns, mainly in the shape of exhibits. Some of the Chinese exhibits show great ingenuity in conveying the idea that in these days the buying of foreign products is not advantageous.

THE SUBTLENESS OF BOLSHEVIK PROPAGANDA

(From "The Nation," New York)

THE CAPITALIST WORLD used to object to Bolshevik propaganda. It still does when that suits its special purposes—in a pre-election period, for instance. But now Bolshevik propaganda is entering a new phase in which the capitalists either pay for it or are paid for it. Thus the Turkish and Persian governments have contracted with Moscow to build modern industrial plants for them. That impresses the Orientals. They see Russia as Asia's new industrial leader. Soviet engineers, workers and machines help them improve their lot. Nothing could be more effective pro-Soviet propaganda. And its cost to the Kremlin is nil. Indeed, there is even a financial profit. In the West the crafty Bolsheviks have adopted a method of propaganda which is still more subtle. During the first ten months of 1935 the Soviet government purchased seventy second-hand ships, totaling 250,000 tons, in foreign countries, mostly Germany and Holland. But it bought them on one condition. The seller was obliged to tear out the cramped, tight, dark quarters for the crew in the lower decks and put in roomy, pleasant cabins in the best part of the vessels for the Soviet sailors. Seamen are an international lot, and this innovation will be carried by them to every corner of the world. In the bars of Shanghai, in the dives of Buenos Aires, German and British and Norwegian salts will be talking about the wonderful accommodations which the Bolsheviks provide for their sailors. Even the London City is being bombarded with a new type of propaganda. The bankers and business men of England are impressed by the fact that in 1935 the Soviet goverment paid cash for literally all its orders in Great Britain. This is the real Red menace, and it has obviously been in preparation for a long time. We suspect, in fact, that the first and second Five-Year Plans were conceived as parts of it.

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SOVIET RUSSIA GOES CLEAN SHAVEN

(By Eugene Lyons in Scribner's Magazine)

Five years ago, when the initial Five-Year Plan was in its most vociferous and difficult phase, there was still a sense of wrong doing in living better than your neighbor. When a G.P.U. officer, a good Communist, or a well-paid engineer threw a party there was a good deal of secrecy about the proceedings. It was not quite respectable to dress well, eat sufficiently, or live more amply. Cushions, white collars, and jazz records were still the symbols of bourgeois degeneracy. You could immediately spot the villain of the piece on the stage by his clean shave and shined boots; and the hero, conversely, by the stubble on his chin and the mud on his boots. The momentous change brought by these recent years, and especially in evidence at this time, is that economic advantages have become altogether respectable. The pretense of utopian equality as a national ideal is being ridiculed by Stalin and his lieutenants as "bourgeois romanticism," and the clean-shaved, ruddy-cheeked, well-groomed Soviet leader can now face the unwashed and as yet underfed proletariat without the slightest self-consciousness.

Soviet Civil Aviation Develops Rapidly

About 100,000 passengers and thousands of tons of freight were transported last year by airplane in Soviet Russia according to a recent statement of the Chief Administration of the Civil Air Fleet in Moscow. It is estimated the 200,000 passengers will be carried this year and that freight transported will increase considerably. One of the most outstanding events of 1936 will be the opening of a regular passenger service linking Moscow and Vladivostok, a distance of more than 8,000 km., and having two branch lines, Sverdlovsk-Magnitogorsk and Novosibirsk-Kemrovo. The main line was used this year for freight only, while passengers were carried over part of the line.

Will Nanking Fight When Japan Restores Pu-Yi to Dragon Throne?

THE question in the heading above this article is not an idle inquiry because Manchu restoration propaganda in Peiping has reached the point where the return of Henry Pu-Yi to the ancient Dragon Throne is a matter of open discussion and at least one journal has set a date—March 1—for the fateful event.

It is true that the magazine which has set the date of March 1 for the restoration of Pu-Yi to the Dragon Throne is a Japanese propaganda magazine (edited by a Britisher), but it is significant that this magazine is being openly distributed through the mail and is sold on Peiping news stands. The article carried the title "Emperor of All China," with a sub-title, "Writing on the Palace Walls of Peking and Hsinking Spells Restoration!" For reasons of emphasis we quote the last paragraph in the article first:

"Does Pu-Yi want to be Emperor? It is for him to say. He has stated his belief in his spiritual authority, yet that is a far cry from taking the helm of state. It would be a grave responsibility, and the matter of his consent is one that will be for him alone to decide, under the advice of the ministers who followed his fortunes in exile and restored his prestige in the land of the Manchu dynastic birth. If he does consent, when would the change take place? The Chinese are great believers in precedents and portents. March the first has been a significant date in the Emperor's life. On March 1 his new state of Manchuria was formed and on that day he took office as Chief Executive, although the investiture was a few days later. On March 1st he was crowned and spiritually endowed as Emperor of Manchukuo. Who would be so bold as to say that March 1 is not his lucky day, and one that his supporters would hail as a fitting one for the new northern restoration?"

Major-General Kenji Doihara, head of the "special service" department of the Kwantung branch of the Imperial Japanese army, who is deeply concerned with the restoration of the Manchu House to the Imperial Dragon Throne in Peiping. It was Doihara who engineered the "escape" of the Boy Emperor from Tientsin and who spirited him away on a Japanese ship to Dairen and who later framed the coronation of Pu-Yi as the "Emperor" of the puppet state. Doihara again was the creator of the "bastard" autonomous state now headed by the traitor Yin Ju-keng, who has his headquarters at Tungchow within the Demilitarized Zone on the outskirts of Peiping. If Pu-Yi returns to Peiping, it will be under the direction of Gen. Doihara and with the protection of the Kwantung army.

The writer of the article forecasting the early restoration of Pu-Yi as Emperor of *All China* was closely concerned for many years with Japanese propaganda in North China and Manchuria as editor of newspapers and magazines. Recently he returned to Peiping and announced the publication of a new journal in the English language and in due course it appeared on the news stands almost simultaneously with the creation of Gen. Sung Chieh-yuan's Hopei-Chahar Political Council. The article started out with the declaration that the Chinese as practical people were compelled to recognize that Manchuria is now an independent country which has proclaimed Pu-Yi as its Emperor and that the New State has the protection of the most powerful Eastern nation since the Mongols with an unbroken record of success! Then appeared the following,

"The present so-called autonomous movement in North China is in reality an expression of a steady underground development of restoring China to kingly rule. . . . When the autonomous State of North China is referred to the reader . . . may take it as beyond doubt that the new Imperial China is meant. Powerful Japanese elements have been very active in supporting and encouraging the movement . . . Is this activity sinister or naturally admissible. In giving moral support to the re-establishment of an Empire in China would the Japanese be considered the enemies of this country? The questions are interlocking. First the Japanese, from their experiences in China since 1911, have been convinced by a mass of evidence that a republic spells disintegration and the evasion of responsibility . . . They desire a strong and stable government with which they can deal and can hold responsible. No such government exists in China today. One has the most chances of re-establishment, if a monarchy—even a monarchy without Pu-Yi—were restored. Hence in promoting a monarchy for China the Japanese are, or would be, in reality helpful to China, for while they might be promoting their own cause, incidentally they would be bringing order into a chaotic agglomeration of states south of the Great Wall."

One wonders how any Chinese republican can longer close his eyes to present developments in North China after a perusal of that frank declaration of the real motives of Japanese intrigue behind the "autonomous" Hopei-Chahar Political Council. For there it is in cold type—the restoration of the puppet Manchu recidivist Henry Pu-Yi—to the ancient Dragon Throne in Peiping. And it also is worth noting in this connection that the word *Peiping* is passing along with the eclipse of Nanking authority and is being replaced by the previous form *Peking*.

But to get on with the story of Manchu restoration as portrayed in the Japanese magazine, there followed a long sketch of Pu-Yi and a denial of the Japanese prisoner story, with an assertion that he is not the weakling usually pictured. Says this British eulogist: "He (Pu-Yi) believes in his position, not by reason of what has happened in the past four years, but by virtue of the lessons dinned into him from the age of reason onwards. He had his own tutors, his own family, even a foreign teacher — Sir Reginald Johnston — all of whom strove to fill the young man with an idea of his own important mission. This shepherding showed forth in an answer the newly crowned Emperor gave in reply to an inquiry whether he considered himself only a *local* emperor in Manchuria. His answer was, 'I am the spiritual Emperor of all China.'. . . ."

The figure standing above the "X" is the mysterious "Miss Kawashima," or daughter of Prince Su, who recently returned to Peiping and seized some valuable property from a Chinese, this apparently being the first case of "restoration" of Manchu property since the inauguration of the "autonomous" Hopei-Chahar Political Council. This picture was taken somewhere in Manchuria when Miss Kawashima was the leader of a bandit gang serving in the pay of the Japanese army.

Then more explanation of the reasons and actual plans for restoration: "The autonomy *cum* restoration movement in North China is in step with the times all over the world. Republicanism is on the wane. . . Instead of one Emperor, China has had many uncrowned Kings at one and the same time since 1911, only one of whom has shown signs of capacity to rule the rest. . Another trend of the times has been popular restiveness due to unsettled economic conditions. . . . these are the popular forces who can be expected to get behind the restoration movement and swing it into reality before March of 1936. . . Much has been done already in the autonomy decision; but in a little while the real idea will be revealed and the way made smooth for an Emperor, whether Pu-Yi, or his brother, or someone else doesn't matter very much, so that he represents in himself stability and hope. . . The autonomy development is strengthening and expanding (late December). . . . The old conservatives who have been taking it on the chin since a woman discredited imperialism in China. . . now say it is their turn to make a move. . . . In the midst of the autonomy movement half a hundred elders called on Gen. Ho Ying-chin, the Nanking Minister of War, and presented a petition which guardedly gave their views on forthcoming changes in the method of government. . . . They were the vanguards of the Restoration. . . . The business of making Pu-Yi Emperor in North China as well as in his own country of Manchuria is one requiring care and adjustment. . But it is known to everyone in the North that the new semi-autonomous State devised under Gen. Sung Chieh-yuan is merely a stop-gap; there is little change over former conditions, excepting that men have been placed in authority who are more sympahetic to the North and to the Japanese. . . . The emasculated State cannot go on permanently without its chariot hitched to something more modern than a 'committee state.' Its destiny is toward unity, stability and permanency under an Emperor, if we x-ray correctly the hidden writing on the palace walls. . . ."

Finally there is more argument of the failure of republicanism in China and assertions in abundance of Pu-Yi's ability to handle the job of Emperor of All China," with the significant declaration that a statement of his case is now being drafted by the Imperial Household in Hsinking and shortly is to be circulated in North China. Then there was this juicy paragraph for the serious consideration of republicans not only in China but elsewhere:

> "Republicanism has been discredited, not only in China, but everywhere in the world. While royal England was climbing back to normal, republican France and republican America were lagging far behind. While republican China was rolling down hill, Germany and Italy gave examples of magnificant recovery under systems of personal leadership and national unity."

Much more could be written about this frankly portrayed Japanese plan for the restoration of the Imperial Manchu House. The fact that Sir Reginald Johnston, for many years tutor to the Boy Emperor, recently made a trip to Manchukuo and spent considerable time with the puppet emperor, was not without significance. He is said to be preparing another book but it is more than likely that his genius will be in evidence in the forthcoming "statement" of Pu-Yi's case which is being drawn up by the Imperial Household department for circulation in North China. This statement, it was explained,

would show how republican China had broken all of its promises to the Manchu household. In view of China's alleged failure to carry out her part of the contract with the former ruling house, the Manchu protagonists argue that Pu-Yi is *legally* entitled to return to Peiping (Peking) and claim the Manchu properties and re-establish himself in the position of Emperor!

As a matter of fact there are some in Peiping who argue that the "restoration" of Manchu properties has already begun. On Jan. 1 a Manchu woman known as the "Tenth Daughter of Prince Su," (another report called her the 21st daughter) went to house of a Chinese named Yang Chih-chuan, resident of the Drum Tower district of Peiping, and took possession, claiming it belonged to her. When the caretaker of the property objected to the demands of the Princess for possession of the property she, together with eight male guards, went to the nearest police station and explained that the property belonged to her. She said that she had resided in Japan since early childhood and had only recently returned to Peiping. She stated she was 28 years old. After conferring with the police she returned to the house with her guards, some of whom were said to have been Japanese, and took possession of the property. The owner of the property, Yang Chih-chang, has in the meantime disappeared. According to reports in the Chinese newspapers in Peiping on Jan. 3 a party of eight Japanese called on Yang early in December and demanded payment of an alleged debt of $500,000 on behalf of a creditor residing in Manchuria. Yang called the police and had the intruders arrested—which created a considerable commotion in Peiping when the Japanese Embassy disclosed on the following day that the eight men were Japanese gendarmes and consular police attached to the Embassy. The incident was magnified by the Japanese newspapers to such an extent that the Chief of Police finally wrote a letter apologizing for the "insult to the Imperial army."

The Manchu lady who calls herself the 10th (or 21st) daughter of Prince Su, is known among the Japanese, particularly military men, as "Miss Kawashima," while her name in Chinese is supposed to be Miss Chin Bi-hui. The Japanese military officers also refer to her as the "Joan d'Arc" of Manchukuo owing to her alleged participation in bandit escapades on the borders between Manchukuo and Mongolia. She was once married to a Mongolian prince with whom she lived for one month, according to the report. Her father, Prince Su, was one of the Eight "Iron" Princes of the Manchu royal house, but the daughter apparently was adopted by a Japanese military officer, Maj Gen. Susuma Tada. Prince Su is said to have one brother in Dairen and another is Mayor of Kirin City. According to a report recently published in one of the Japanese newspapers in Peiping, the Manchu lady has long been involved in intrigue both in Manchuria and in China. During the Shanghai "war" early in 1932 she allegedly became involved in an "affair" with a high Chinese official which nearly became an open scandal.

This cartoon by an unknown Chinese student artist, member of the propaganda committee of the North China Students Union, has been widely circulated over the country with the object of stirring up the people on the issue of Japanese aggression in North China. The figure, a Japanese warlord, is supposed to resemble Gen. Jiro Minami, Commander-in-Chief of the Kwantung Army and concurrently Ambassador to Manchukuo. The empty dish containing a few bones is labelled "Manchuria," while the large slice of pie in process of being swallowed, is labelled "North China." The warlord is eating with the familiar short Japanese sword.

Unemployed "White Collar" Workers and the North China Student Demonstrations

CHAIRMAN Lin Sen of the National Government in the course of an address delivered at the weekly service at Nanking on December 30 urged mutual effort on the part of the leaders within the government and outside to solve the problem of unemployment among so-called "white-collar" workers. By white-collar workers he meant technical graduates of colleges and universities who have not been able to obtain jobs. Citizens of Occidental lands who have had this problem on their hands for many years will be surprised to learn that Chinese college graduates also experience difficulty in obtaining jobs despite the fact that the number of graduates is still limited as compared with the college output in the West. China, at the beginning of a vast reconstruction movement designed to modernize the nation in all branches, should have work for all technically trained young men and women and more.

Opportunities for technically trained men, in the opinion of the Nanking chairman, were limited because of China's low economic standards and the backwardness of her productive organs. He urged a reform of the educational system but was not very clear, or at least the *Central* News agency's report on his lecture was not explicit, as to how the educational system should be revised. He concluded with the more or less platudinous admonition that students should prepare themselves more thoroughly and the government at the same time should provide the opportunities for work.

Chinese girl students take lead in patriotic movement—Miss Constance Chang, or to use her full Chinese name Chang Hsin-hsin, who was born in Los Angeles, where her parents now reside, as she started out with 100 other students on a 100-mile propaganda tour organized by Peiping students for the purpose of stirring up the Chinese peasant farmers and villagers to the dangers of Japanese aggression.

Miss Liu Tseu, heroine of the student demonstrations and clashes with the police of Peiping when 10,000 students, boys and girls, defied the police, gendarmes and soldiers and protested against the "autonomy of North China"—which the Chinese branded as a "sell-out" to Imperial Japan. This girl, who weighs less than 100 pounds, crawled under one of the Peiping city gates and tried to open it for her fellow students to pass through, but was caught by the police and severely beaten and confined for several hours.

Vanguard of the "army of propaganda" which the Peiping students sent into the interior early in the New Year for the purpose of stirring up their fellow countrymen on the menace of Japanese aggression and artificially fostered "autonomy" movements in North China.

One of the Chinese newspapers, the *Shih-Chieh Jih Pao*, in discussing the subject of unemployment among college graduates told of the recent suicide of a student in Peiping who had been educated in France but had been unable to find work. In this connection the paper said that there is a common saying among Chinese college students that graduation means unemployment. Statistics were then presented which, if correct, should provide serious, if not outright revolutionary thought among China's intellectuals. It was explained that in China there is only one college graduate among 100,000 of the population and that even in Kiangsu, the most educationally advanced province, there are only 209 so-called educated persons among each 100,000 of the general population. The figures presented in the editorial stated that there are 73 college graduates in each 10,000 of the population in the United States, 24

per 10,000 in Germany, 17 in the Soviet Union and France and 9 in Japan. Of the 7,000 students who are turned out of China's colleges and universities annually, statistics issued by the Ministry of Education indicated that 71 percent were graduates of courses in liberal arts while less than 30 percent studied applied science — which figures constitute further evidence of a real cause of unemployment.

But beyond this is a more fundamental reason intimately associated with the recent student demonstrations in North China.

Unemployment among college graduates, including those who have studied abroad, at the present time, is due to a considerable extent to the loss of the Manchurian provinces to the Japanese. The rapid development of these frontier provinces under Chinese direction prior to the Japanese occupation in the fall of 1931 absorbed the output of most of the colleges and universities of the country. The tendency of students to flock to Manchuria for several years had been most pronounced. They were prominent in the construction of railways and motor roads, harbor development projects, shipping enterprises on the Sungari and Amur. Marshal Chang Hsueh-liang, himself a young man when he came into control of these frontier provinces, surrounded himself with young men of technical training acquired in the schools south of the Great Wall or abroad. Using a considerable portion of the fortune left by his father, the late Marshal Chang Tso-ling, he founded the National Northeastern University at Mukden, the engineering courses of which were closely tied up with the operation and management of the Peiping-Mukden and other Chinese controlled railways of Man-

Students' armed guards at China College, Peiping, challenging all entrants to the campus during the anti-Japanese demonstrations. The would-be entrant challenged in this instance was James D. White, Associated Press Correspondent at Peiping. White's home in the United States is Columbia, Mo.

Chinese "student pilgrims of patriotism" as they started out on a long trek into the interior to arouse their fellow countrymen against the dangers of Japanese aggression, particularly the Japanese fostered "autonomy" movement designed to split off five more provinces from North China for the creation of another "puppet" state similar to Manchukuo which the Japanese split off and converted into an independent state in 1931-1932.

Exhibit "A" in the student strike against violent suppression of the patriotic movement by Peiping police and gendarmes. Some of the blood-stained garments worn by the students who were wounded by police clubs and bayonets in the course of the demonstrations.

churia. The Mukden workshops of the P.M.R. were actually a part of the university's engineering courses so that students not only received practical training while in school but upon graduation went directly to the technical departments of the railways. A similar situation prevailed at the former Mukden arsenal which was being converted to an industrial plant for the manufacture of motor trucks and other products. This far-sighted policy undoubtedly was largely responsible for the phenomenal railway development, greatest in the entire nation, which was going on in this frontier region when the Japanese stepped in on the fateful night of Sept. 18, 1931, and put an end to it.

How the blight of Japanese control has stifled Chinese enterprise in this extensive region is evidenced in the fact that not only the large Northeastern University but all other Chinese schools of consequence have been closed and in most cases their premises used as barracks for the Japanese troops. The extensive railway system under construction by the Chinese authorities, together with the Peiping-Mukden line, were handed over to the Japanese South Manchurian line for operation and all Chinese employes above the rank of coolie laborers were discharged and their places filled with the college graduates of another nation—Imperial Japan. Today, after five years of Japanese military domination it is correct to say there are practically no educated Chinese of the "white collar" class left in these heretofore prosperous Chinese provinces with a population in excess of 30,000,000. All have been driven south of the Great Wall, leaving only an ignorant leaderless peasant population which the Japanese are rapidly converting into a status not greatly differing from that which the Koreans have occupied since their country became an appendage of the Imperial Japanese Empire.

Loading hundreds of pounds of patriotic leaflets and propaganda, much of it hand-drawn cartoons and posters, for use on the "mass-pilgrimage" into the interior by Chinese students in an effort to stir up their countrymen against Japanese imperialism.

Peiping student, well equipped with bedding for the cold nights in primitive village inns, at the beginning of the student trek into the interior in an effort to arouse the farmers and villagers against Japanese imperialism.

As the Japanese army is now inaugurating a similar regime in North China, it will be only a matter of time until all "white collar" Chinese are eliminated from that region, once the governing district of the country. The puppet regime which the "traitor" Yin Ju-keng maintains within the so-called Demilitarized Zone (created by the Tangku Truce) is now following a policy designed to drive all so-called "educated" Chinese out of the territory. Kidnappers who prey on those possessing property are permitted to operate without restriction, the dope trade and various forms of police extortion are fostered with the seeming object of eliminating all individuals of influence and property, leaving only the ignorant peasants "to work for the Japanese," to use a popular expression.

In the Peiping district, or more correctly within the "Five-Province Autonomy Area" which the Japanese have mapped out for exploitation, the Japanese army's plan calls for exploitation of all resources, agricultural, mineral, transportation; hence there will be no room in this Japanese picture for any "white collar" Chinese citizen, excepting, of course, a few who have been trained in Japan whom the Japanese will use in the process of subjugating the country.

It is this prospect which is at the bottom of the present student "uprising" in North China. Chinese history records that the Taiping Rebellion and Boxer Uprisings started as patriotic movements designed to prevent the subjugation of the nation by foreigners. The student movements of more recent years, against the Japanese control of Shantung, against the Versailles Treaty confirming Japan in possession of Shantung, against

the Japanese control of Manchuria in 1931, have had their inspiration in an attempt to prevent the monopolization of the country by foreigners. What will come of the present movement cannot be forecasted at this early date; whether it will be dissipated and diverted into futile channels by clever, self-seeking, venal politicians or whether the students will succeed in really stirring up the people to a realization of their country's peril? But regardless of the outcome, the forces inspiring the students are quite obvious and are, fundamentally, due to a feeling that unless some element in the population makes a sacrifice, there is no hope for the country, but particularly no future hope for those elements in the population represented by the present generation of students.

Chinese girl students volunteer for Red Cross work in Peiping student strike, to care for the wounded resulting from clashes with the police. Practically every school in Peiping was compelled to advance the regular winter holidays and close up through all of January as a result of the strike.

A Disclaimer by Edward Dunn

The Editor, China Weekly Review:—

My attention has been drawn to a gross misrepresentation of fact which appears at the bottom of Column 1, page 155, of your issue of January 4, in the article entitled: "Eastern Inner-Mongolia Becomes the Latest Puppet—Coming Struggle Over Outer-Mongolia" (Special Editorial Correspondence).

The paragraph referred to reads as follows:

"That Japan is making plans for an early drive into Outer-Mongolia seems obvious. Recently the Japanese Military Attache's office in Shanghai issued a booklet in the English language entitled, The Truth About Outer-Mongolia, which" . . . etc.

I wish to emphasize that "The Truth About Outer Mongolia" was published independently by the undersigned and at his own expense, and this publication is in no way connected, nor has it been influenced, by any political, military or other group of any description, and practically the whole of the contents is based on the Report of the Seventh Great *Hural* (Congress) of the Mongolian People's Republic, issued on Dec. 24, 1934.

In justice to the facts, I shall thank you to publish this letter in your next issue so as to dispel any wrong impressions that may have been created.

EDWARD DUNN.

Shanghai, January 10, 1936.

Counsel in Gold Bar Case Suggests Sopher Bros. Used Chinese Hong Name as "Blind"

Hearings to be conducted next week in the First Special District Court's Civil Division may shed further light on a tangled web which came into view at the opening Jan. 13 of action brought by the Dah Fah-yung, managed by Chang Foo-ching, against G. A. Efron for $1500 said to have been lost on gold bars. Counsel for Mr. Efron advanced the theory that the Dah Fah-yung was merely a blind for Messrs. Sopher & Co., whose clerk Chang was said to be. Theodore Sopher testified he had never had any business relations with Mr. Efron. V. Levy, former Sopher employee, said that in 1933 the Sophers instructed Chang and an ex-compradore, Yu Kee, to apply for membership on the gold exchange. Chang testified that he owed money to the Sophers and therefore authorized them to sign receipts for moneys received as a means of protecting their loans, which were at a minimum of $10,000.

Pacific Banking Corporation Bank to Re-Open Doors

The Pacific Banking Corporation, which went into liquidation last autumn owing to a shortage of capital, will re-open its doors for business during the course of this month, following a meeting of shareholders held this week. The liquidators of the bank, it is understood, have now signed an agreement with a party who is willing to increase the capital and to resume the business of the bank under its old name: "Pacific Banking Corporation, Incorporated in the State of Connecticut, U.S.A." The authorized capital of the bank will be $2,500,000, in local currency. The majority of the new directors will be Americans and the greater part of all shares will be in the hands of Americans. The management of the bank will be in the hands of the former manager of the Russo-Asiatic Bank, and of Y. P. Koo, formerly compradore of the China Realty Co., assistant manager of the Metropolitan Land Investment Co., and manager of a number of native banks. The bank will be located at 230 Kiukiang Road.

Salt Official Decribes How National Government Put Militarists "in Their Place"

In a talk at the Y's Men's Club tiffin in Shanghai Jan. 13 J. C. Oliver, Co-district Inspector of the Salt Gabelle, stated "I notice by the morning papers that the Japanese are coveting the salt revenues of North China—awhile ago the militarists of Szechwan were pursuing the same course but now the National Government has stepped in. The Szechwan militarists had 'needed someone to put them in their place' and this someone has been the National Government."

Kiangsi Sets Time-Limit for Poppy Growing

The anti-opium movement has been making considerable progress in Kiangsi since the successful conclusion of the bandit-suppression campaign in said province.

The Kiangsi Opium Suppression Commission has decided to totally exterminate poppy growing and opium smoking in said province before the end of 1937, a recent Nanchang message stated.

Chinese and Japanese Scholars Exchange Views on Sino-Japanese Relations

PUBLICATION in the December 14, 1935, issue of *The Review* of Dr. Hu Shih's "Word to the Japanese People" and T. Murobushi's reply would be incomplete without printing in the following columns Dr. Hu's recent answer to the Japanese scholar. The reader may recall that in his appeal to the Japanese public, Dr. Hu asked them to talk no more about "Sino-Japanese friendship" in empty words, not to overlook the resentful psychology of the Chinese people, and to safeguard by moral uprightness the great achievements and the great prospects of their own nation. When Mr. Murobushi replied, he at first treated Dr. Hu in a sympathetic manner, but toward the end he charged the Chinese leaders with failure to bring about amicable relationship with Japan, and harangued the Chinese people urging them to beware of Great Britain's siren gestures and to unite with Japan for the purpose of upholding Oriental liberty and civilization.

In the reply which follows, Dr. Hu Shih points out that it is not so much a question of the possible loss of the Oriental heritage as that of the ignominious fight against a country being waged under the cloak of upholding the Oriental heritage. He goes on to answer Murobushi's question, who is China's friend and who is not, as below:

> "To-day we can only think this way: All those that entertain the least desire of encroachment upon us, all those that do not prove detrimental to our existence and development as a nation, may well become our friends. On the other hand, all those that encroach upon us, all those that prevent or arrest our existence and development as a nation, are our enemies."

Though China, like any other nation, is unable to love her enemies, she can at least restore her normal friendly relations with any country, as in the case of Great Britain, that modifies its national policy and proves friendly toward her. Dr. Hu demonstrates that the Chinese people with their pragmatic propensities and common sense can succeed in forgetting the grievances they have suffered. But they can by no means forget Japan's wrong doings to them if she continues the mailed fist policy as she is doing now. Dr. Hu Shih, master of vernacular prose, closes his reply philosophically and poetically—with more grace and art than Mr. Murobushi begins his by setting forth his reminiscences.

However, the importance of the correspondence between the two scholars does not lie in its literary excellence, but in the exchange of views, for which Dr. Hu Shih has expressed his joy. While Mr. Murobushi's challenge sounds like the utterance of a militarist or diplomat, the appeal of the Chinese philosopher is sincere and representative. It can be considered as what the four hundred million people in China wish to say and therefore reflects the general psychology of the Chinese people. The opportunity that Dr. Hu Shih had in publishing his "Word to the Japanese People" in Japan is tantamount to an opportunity given to the four hundred million Chinese of speaking to the sixty or seventy million Japanese. The Chinese are glad that Dr. Hu has taken upon himself the function of their mouthpiece, so even those papers whose views are usually at variance with his have reprinted his letter. But what reaction has been created in the Japanese people by such an exchange of views on Sino-Japanese relations? Despite the assurance of Mr. Murobushi that Dr. Hu Shih's letter has aroused a very sympathetic feeling toward China among the intelligensia in Japan, Japanese newspapers have been tactfully silent and refrained from commenting upon it. Only a few lukewarm remarks were made in the Tokyo *Asahi Shimbun* following its publication.

DR. HU SHIH'S REJOINDER TO MR. MUROBUSHI'S REPLY

Dear Mr. Murobushi,

I highly appreciate the generosity of the members of your editorial board in publishing my "Word to the Japanese People" in the "Japan Review."

I am overjoyed to read your "Reply to Dr. Hu Shih" in the December number of the same review—but to my regret, I was only able to read it in a translation—not alone because my article has produced a greater reverberation from you, but also for the fact that it has thus introduced the practice of exchanging views, which may be imperatively necessary to our two nations at this moment.

That you can understand my point of view as an "iconoclast" is indeed fortunate, because I feel that the scholars in your country at the present time often do not understand why we should make strenuous efforts to repudiate our ancient civilization.

True, "Japan, too, has chosen this road." But I really feel that unfortunately iconoclasticism in your country, though it was several decades ahead of us, seems to have produced results a whit too early, and that the conservative current of restoration and preservation seems to have flowed back a whit too quickly.

The view-point of my friends and myself is this: Culture has its inertia and can preserve itself of its own accord. If a few far-seeing thinkers perceive the necessity of "expurgation" and "renovation," they should cry and roar from the house top, taking no heed of the extensiveness of the destruction or to the danger of their ancestral heritage being annihilated. "True gold can withstand the test of fire"—so runs a well-known maxim of our forefathers. A thing of authentic value is indestructible.

In recent years, Japanese visitors to Peiping have frequently shown such over-anxiety regarding "the bequests of the Orient" as to suggest that they would rather see the young men of the East every day mumbling "Anita Buddha" or playing mahjongg than being intoxicated by materialism or believing in liberalism. This sort of anxiety is also expressed in your reply.

I think that what deserves our deep concern in these two nations is perhaps more important than the loss of the Oriental heritage. I for one am not at all sorry for the loss of the Oriental heritage and Oriental civilization. My deep concern is that right at the commencement of a contact with the new civilization of the world—of mankind—the people of the Orient are afraid of its enticements and lose no time in shrinking back to the beaten path of self-importance or contentment with meagerness. And my still deeper concern is that under the banner of "upholding the Oriental legacy" the Oriental peoples are staging an ignominious play of cutting each other's throat—thus rendering themselves ludicrous to the whole world.

Don't you think, Mr. Murobushi, that this is what we ought to feel anxious about?

In the latter part of your reply, you have pointed out the *raison d'etre* of hatred existing between our two countries. You seem to be among those who regard this resentful psychology as the consequence of the policy of "bidding one country against another." You put the question to us, "Which is China's enemy, which should be so regarded—Japan or England?"

Were this opinion expressed by a diplomat or a military officer, I should not be taken by surprise in the least. But I cannot but be surprised when it finds expression in your writing.

When the archaic expression 以夷制夷 (i yi chi yi)—which is often translated as bidding one country against another—is rendered into the vernacular language, it means to resist a hostile nation by the assistance of a friendly nation. Every country does it, and in so doing it has only success and failure to consider. The act permits of no consideration of right or wrong whatever.

Was not Japan also "captivated by the enticements of Great Britain," as she was the latter's ally for twenty years? Was she not afterwards allied with Russia against the United States, which had advocated the open door policy relating to Manchuria? People may not have forgotten all about these events within the living memory.

As for China, to tell the truth, she is not yet in a position to function as a friend, and much less as a foe, of any country. Friends are on an equal basis, and so are foes. The late Dr. Sun Yat-sen said in his will, "We should unite in the common struggle with the peoples in the world which treat us on the basis of equality." But which people is the one that treats us on the basis of equality? Is not that charge of Dr. Sun's a dream of ten years ago?

To-day we ought to be awakened from such dreams. To-day we should not hope against hope for a people that will treat us on the footing of equality. To-day we can only think this way: All those that entertain the least desire of encroachment upon us, all those that do not prove detrimental to our existence and development as a nation, may well become our friends. On the other hand, all those who encroach upon us, all those who prevent

or arrest our existence and development as a nation, are our enemies.

Will you consider, Mr. Murobushi, whether the two explanations as offered above are just or unjust?

You do not have a favorable opinion of Judaism, but in Judaism there is a marvellous tenet, "Love your enemies." In the past twenty-five years I have put faith in this aspect of Judaism. I, however, feel ashamed that my faith is not firm enough and my practice not strict enough, so that within these few months I have begun to doubt whether we mortals made of flesh can follow such a doctrine all our lives.

Of late, I have been aware that this aspect of Judaism is not so practical as the adages found in "the Oriental legacy": "Do not shift your anger." "Do not keep former wickednesses of men in mind, and the resentment directed against them will be less." These sayings are nearer to human nature, and can be put into practice if we in some way or other exercise our rational faculty. For instance, I might bear resentment against this militarist or that militarist of Japan, but at the same time I could respect and love my friend Professor H. Rakagi. Such an act of not shifting anger is easy, is it not? Take another illustration. Supposing the Japanese Empire one day changed her policy and became a good friend of China, I could, of course, forget many grievances of the past. Is such an act of not keeping former wickednesses of others in mind not also easy to do?

But if a certain strong country should take advantage of the weakness of another and attack her in a time of crisis, not only planting hatred in the hearts of her people, but continuing to sow what you have referred to as deeper hatred and finally perpetual hatred, under such a circumstance of quick dissemination, even if China had an ingenious, sagacious "leader," I fear that he would have no way to direct his fellow-countrymen to generate genuine friendship toward that country.

You have given us a warning: "Do not accept the enticements of Great Britain." Dear Mr. Murobushi, would you like to hear me tell you a story from history?

The period between June, 1925 and 1927 marks the culmination of Chinese hatred toward England. You may remember the tremendous loss the British foreign trade with China suffered during these three years. In the winter of 1926 I happened to be in England on a lecturing tour, and every day I read in the newspapers about the opinions voiced by the Conservative Party to the effect that China should be severely dealt with. But the English statesmen stuck firmly to their peaceful policy. They sent Sir Miles Lampson as minister to China, and in December of that year published a Christmas message revealing the peaceful China policy of the British government. The members of the Kuomintang, however, did not trust "the enticements of Great Britain" and endeavored to compel John Bull to unsheathe his sword. Consequently, early in January, 1927 the British concession in Hankow was occupied by force. Nevertheless, the British diplomats did not lose their temper; they not only kept their sword in the sheath, but instead sent a delegate to Wuchang and Hankow to conclude the Hankow agreement with Eugene Chen. As a consequence of this attitude of forbearance the general atmosphere underwent a change in a few months, and the hatred toward Great Britain subsided by degrees. "The enticements of Great Britain" finally reaped fruit.

Is this story insufficient to answer the query in your reply? You have asked us, "Is China apt to forget the sufferings that England has inflicted upon her?" To which I may reply that we are merely following that above-mentioned ancient adage of an Eastern sage, "Do not keep former wickednesses of men in mind." Indeed, "beautiful and artful allurements" are able to sink past sufferings in oblivion. Who can reject "beautiful and artful allurements," my wise Mr. Murobushi?

To state it reversely, "the mailed fist" policy is the effective cure of forgetfulness. To-day one cannon shot, to-morrow ten bombing aeroplanes, the day after to-morrow ten trains of troops. In your opinion, dear Sir, should our "forgetfulness" be put to flight, or should it not?

It is snowing at Peiping to-day. The boughs of the pine-trees in my garden are laden with white flakes. When you were here in the garden that day, I forgot to tell you that the glazed tiles lying on the ground were the salvage from the Yuen Ming Yuen. The white stone steps at the gateway were also removed from the ruins of the summer-palace by my landlord. Looking at the glazed tiles not yet covered by the blanket of snow while standing on the stone steps, I unawares recalled the incident of committing the Yuen Ming Yuen to the flames by the allied forces of England and France seventy-five years ago. In spite of the fact that the relics studded here and there on the ground in front of me could help me to recollect, I cannot but confess that that story is somewhat blurred in my memory. My sight was attracted to a new object. An aeroplane belonging to your country was flying buzzing in the sky from east to west. Its dark shadow glided trailing over the clean, snow-covered ground. After that dark shadow vanished, the snow-covered ground was clean and white as ever, but in my mind even at this very moment I can perceive very distinctly that line of black shadow. I recall that a Chinese sage of olden times said, "The shadow of a flying bird does not move," and again "A shadow does not shift." Should we command that line of dark shadow not to move, nor to shift, Mr. Murobushi?

American Economic Mission Compares Chinese and U. S. Tariffs

The recently published China report of the American Economic Mission contains a reference to tariffs, among other things mentioning that the Chinese schedules seem rather more effective in depriving the United States of its markets in China, than does the American tariff in depriving China of American markets. According to calculations made at the office of the American Commercial Attache in Shanghai the comparative tariffs levied against articles that constitute the major proportion of the present trade between the two countries are as follows, based on price levels prevailing July 31, 1934:

Chinese Tariff against Principal American Imports

Raw cotton, U.S. $0.017 per lb., or about	13%
Softwood lumber	38½%
Kerosene	175%
Gasoline	188%
Motor car tires	28½%
Wheat	17%
Wheat Flour	30%
Artificial indigo dye	48%
Sulphur black dye, 60% to 140%, average about	102%
Aniline dyes	38%-40%
Canned peaches	65%
Canned asparagus	70%
Fresh oranges	35%
Tin plate	27%
Passenger motor cars	39.9%
Motor trucks	19.9%
Rayon	80½%

Tobacco works out at around 10% depending on value and grade but is taxed again heavily as cigarettes under Consolidated tax.

American Tariff against Principal Chinese Imports

Raw silk	Free
Linen embroideries	90%
Sausage casings	Free
Undressed goat skins	Free
Fur skins, mostly	25%
Bristles, unsorted	Free
Sorted	3c per lb.
Tea, certain categories	Free
Others	25%
Oil seeds	Free
Wood oil	Free
Perilla oil	Free
Walnuts, shelled	15c per lb.
(ad valorem equivalent not known)	
Raw cotton (Chinese short staple)	Free
Carpets—50c per sq. ft. but not less than 45½ p.c. ad val.	
Straw hats of sisal, ramie, buntal, etc.	25%
Straw braid	15%
Tin, bar, block and pig	Free
except when U.S. production is able to supply demand when 6c lb. is charged.	
Tungsten Ore—50c lb. on metallic tungsten content.	
Antimony ore	Free
Antimony regulus	2c per lb.

Chinese egg products are levied almost prohibitive rates so as to protect American egg producers.

No Free Items to China

It is an interesting fact that there are no free items among the chief imports into China from the United States. On the other hand, nearly half of the chief imports into the United States from China enter free of duty.

Japanese Consul General Explains Use of Yen by Japanese Here

An oral statement designed to allay Chinese apprehension regarding the use of the yen as the medium of payment by small Japanese merchants in Shanghai's "Little Tokyo" was made this week by Itaro Ishii, Consul-General in Shanghai. A few Japanese merchants here, he said, used in the past to quote prices in yen for the convenience of arrivals from Japan. This practice was recently adopted by other traders. This, Mr. Ishii continued, does not mean that payment must be made in Japanese currency, as Chinese money is accepted by all Nipponese merchants at the current rate of exchange. It is a misunderstanding, the Consul-General said, to say that the Japanese merchants, who have adopted the yen as a medium of exchange, intend to substitute Japanese currency for Chinese. The Japanese Government, Mr. Ishii explained, would not favor large exports of Japanese currency for use here, as an outflow of currency would affect the effectly application of the Exchange Control Law. The Government, he added, does not contemplate, contrary to erroneous reports here, the issuance of Japanese banknotes in Shanghai.

Negotiations for Settlement of Hopei-Chahar Issues Proceed in Tientsin; Reds Again Active in Kweichow

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Preliminary Agreement Reached for Settlement of Hopei-Chahar Issues.**
2. **Yin Ju-keng Claims Japanese Support for his "Autonomous Council."**
3. **East Hopei Rebel Regime Demands $600,000 From Salt Inspectorate.**
4. **Japanese to Force Han Fu-chu to Join Hopei-Chahar Political Council.**
5. **Details of Chaoyangmen Shooting Affray Given by Chinese Authorities.**
6. **Japanese Tender Six Demands to General Sung Cheh-yuan.**
7. **Hachiro Arita Slated as Next Japanese Ambassador to China.**
8. **Communists Again Active in Kweichow and Shensi Provinces.**
9. **Nanking Envoys Leave for South to Welcome Hu Han-min.**

As a result of repeated exchange of views between Chinese and Japanese authorities in North China, an agreement has been reached in principle for the settlement of the east Hopei and Chahar problems, *Central News* reported Jan. 14. Formal negotiations, it is learned, will start in Tientsin within a day or two, in which China will be represented by Generals Sung Cheh-yuan, Hsiao Cheng-ying and Chen Chueh-sheng, and Japan by Generals Doihara, Itagaki and Nagami. The most important question which will be discussed at the forthcoming conference in Tientsin will be the future status of Yin Ju-keng after the abolition of the bogus council. This issue is expected to be settled satisfactorily.

Concerning the question of the occupation of the six Chahar districts by the Mongolian forces with the assistance of the "Manchukuo" troops, it is believed that considerable time should be required for its satisfactory solution. Meanwhile, the Chaoyangmen and Tangku affairs are stated to have been amicably settled as both of these two cases were entirely due to misunderstanding.

Maj.-Gen. Itagaki, Vice Chief-of-Staff of the Japanese Kwantung Army, visited Tungchow Jan. 14 to inspect conditions there and to interview Yin Ju-keng, self-styled head of east Hopei autonomous government.

Maj.-Gen. Itagaki returned to Peiping in the afternoon of the same day. Immediately after his return he called on Gen. Sung Cheh-yuan for another talk. Maj.-Gen. Itagaki left for Tientsin, Jan. 15 to participate in the negotiations with the Chinese authorities concerning the outstanding issues in North China.

Gen. Sung Cheh-yuan, accompanied by his secretaries, left for Tientsin at four p.m. Jan. 14 by special train. He will meet Maj.-Gen. Doihora in an attempt at settling the various outstanding issues in Hopei and Chahar.

YIN JU-KENG CLAIMS JAPANESE SUPPORT FOR HIS REBEL REGIME

A claim that Major-General Itagaki, Chief-of-Staff of the Kwantung Army, who visited Tungchow Jan. 14, went there "to express his support of the "East Hopei Council" was made by Yin Ju-keng, head of the rebel regime, in an interview with *Reuter* in the afternoon of the same day. Mr. Yin emphatically denied thhat the fate of his Council would be discussed during the forthcoming Sino-Japanese negotiations at Tientsin. He also announced that the Peiping-Mukden Railway would pay him $100,000 a month in return for the abolition of the commission established by his Council to supervise the section of the line that runs through the Demilitarized Zone.

Hopes are revived in Tientsin that the so-called East Hopei Autonomous Government under Yin Ju-keng may cease meddling with the affairs of the Peiping-Liaoning Railway, according to *Central News*. The supervision bureau recently established by Yin Ju-keng for the control of the Hsinho-Shanhaikwan section of the Railway has now stopped its activities. Likewise, the Bureau has stopped detaining receipts of the Railway, as a result of negotiotions between. Chen Chueh-sheng, the new Managing Director of the Railway Administration, and responsible authorities of the bogus regime.

Chen Chueh-sheng, the new Managing-Director of the Peiping-Liaoning Railway, is quoted by *Reuter* as having declared that the Commission of Supervision for the railway between Hsinho and Shanhaikwan, a section withhin the Demilitarized Zone, which had been appointed by Yin Ju-keng will be abolished forthwith. Chinese circles in Peiping are very reticent concerning Mr. Chen's reported statement, but one Chinese report says that the abolition of the Commission was arranged on an agreement to pay the Council the sum of $100,000 monthly from the railway revenue. Thus far, it is stated, the Commission has detained railway funds amounting to $70,000.

EAST HOPEI REBEL REGIME DEMANDS $600,000 MONTHLY FROM SALT INSPECTORATE

A demand for $600,000 as a monthly subsidy has been served by Chao Lei, bogus commander of the Paoantui of the so-called East Hopei Autonomous Governmtnt under Ying Ju-keng, on the Changlu Salt Inspectorate, according to o *Central News* report Jan. 11. Should the request be turned down, the dispatches quote the bogus commander as saying, the "East Hopei Autonomous Government" troops will detain all the salt freight cars running between Hsinho and Shanhaikwan. It is understood that the matter is now being negotiated between the Changlu Salt Inspeitorate and the bogus regime.

JAPANESE TO FORCE HAN FU-CHU TO JOIN HOPEI-CHAHAR POLITICAL COUNCIL

Major-General Itagaki recently viited Tsingtao, where he consulted Major-General Isogai, Military Attache to the Japanese Embassy, and Tsinan, where he conferred with General Han Fu-chu, Chairman of Shantung. It is reported that his tour of North China is connected with efforts to bring Shantung and Shansi into the jurisdiction of the Hopei-Chahar Political Council.

It was announced in Peiping Jan. 13 that Shih Yu-san, a former Kuominchun general, has been made Commander of the Peace Preservation Corps in Peiping. Reliable Chinese sources state that General Sun Tien-ying will shortly be given an appointment by the Hopei and Chahar Political Council.

Major-General Doihara, of the Kwantung Army, expects to make a protracted stay in Tientsin with the object of assisting the Japanese garrison to settle the outstanding Sino-Japanese problems, according to reports appearing in the Japanese press in Tientsin Jan. 13. The Japanese officer is at present awaiting the arrival in Tientsin of General Sung Cheh-yuan, and other Chinese officials.

The Ministry of Foreign Affairs has addressed a telegram to the local authorities at Tangku to the effect that detailed information concerning the reported occupation of the Tangku railway station by Japanese troops several days ago be immediately forwarded to the Waichiaopu. On the basis of the information, the Ministry will devise measures to cope with the situation.

DETAILS GIVEN OF CHAOYANGMEN SHOOTING AFFRAY

Concerning the incident at the Chaoyang Gate on the night of January 5, information from various quarters as gathered by *Central News* reveals that, shortly after 10 p.m., five Japanese soldiers arrived at the gate from outside the city

and demanded that the gate be opened. Chang Yu-ting, a policeman, and Chang Chu-ting, a member of the Paoantui, who were on sentry duty, as the Japanese did not carry entry permits, telephoned to superior officers of the area for instructions. The gates were opened upon receipt of instructions. Dissatisfied with the delay in opening the gate, the Japanese soldiers, as soon as they secured entrance, seized the two sentries, manhandling them. Chang Chu-ting was punched in the face, which resulted in an injury to his mouth and lips, and his legs also were injored. The Japanese soldiers then went to the guardhouse, where they found Chieh Tung-chi, a sectional commander of the 29th Army, and questioned him regarding the delay. Their rage yet unpacified, one of them seized Chieh with one hand and attempted to pull out his pistol with the other. Fearing that an incident might be created, Chieh pulled himself away from the Japanese soldier and ran up to the city wall. The Japanese gave chase and fired three shots. Hearing the firing, a sentry on the wall fired several shots in the air, just to show that he had a rifle for self-defence. It was then that the Japanese troops left Chaoyang gate. Two joint inquiries soon after midnight were held on the spot. The Japanese expressed themselves dissatisfied with the explanation given by the Chinese, and compelled the injured man under coercion to sign a document exonerating the Japanese soldiers.

Officially expressing his regrets for the alleged attack upon Japanese soldiers by the Chinese guards at the Chaoyang Gate on Jan. 5, General Sung Cheh-yuas, chairman of the Hopei Provincial Government, on Jan. 11 asked for an interview with Lieutenant-Colonel Masanori Hasegawa, commander of the Japanese Legation guard, to discuss the incident, according to *Domei*.

JAPANESE TENDER SIX DEMANDS TO GENERAL SUNG CHEH-YUAN

According to Japanese reports, quoted by *Reuter*, a military conference of high Japanese military officers was held in Tientsin Jan 9 to discuss a new program of work for North China and to consider measures for coping with the anti-Japanese activities of General Sung Cheh-yuan's troops. Among those who attended the meeting were General Tada, Major Imai, assistant military attache in Peiping, Colonel Nagami, Chief-of-Staff of the Japanese garrison in Tientsin, and representatives from Shanhaikwan, Kalgan, Taiyuan and Tsinan.

The new demands, presented to the Chinese authorities by the Japanese Consulate-General in Tientsin an. 8, arise out of the alleged molestation of Japanese shopkeepers at Taku by Chinese troops and police. The Chinese allege that the shops concerned belonged to Chinese drug dealers who established Japanese connections and adopted Japanese names in order to evade suppression by the authorities.

The demands are:

1. An appology by General Sung Cheh-yuan.
2. Stricter supervision over the Chinese troops and police at Taku.
3. Immediate arrest and punishment of the persons responsible for "invading" Japanese-owned shops.
4. An indemnity for damages suffered by Japanese nationals as a result of these "incidents."
5. Immediate cessation of anti-Japanese activities by Chinese troops and police.
6. Assurances that there will be no recurrence of such activities.

Assurances that he would purge his troops of anti-Japanese elements were given to Japanese military authorities in Tientsin by Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, *Domei* reported Jan. 9. He has also assured the Japanese military command that he would strive to settle all outstanding Sino-Japanese problems with sincerity. The whole gamut of Sino-Japanese problems in North China was scrutinized on Jan. 9 at a conference in Tientsin of high Japanese military officers stationed in northern provinces. Col. Toshinori Nagami, Chief-of-Staff of the Japanese garrison, who made a comprehensive report on the situation, paid especial attention to recent anti-Japanese incidents, declaring that Gen. Sung Cheh-yuan "is so tinged with anti-Japanese and anti-Chiang Kai-shek hues that it is difficult to reform him."

Commenting on the Hopei-Charhar Political Council, Col. Nagami said that the Japanese Army would keep a strict watch over its activities, at the same time co-operating with it, so as to meet the desires of the people of North China. He urged the conference to expend every effort for the economic development of the area, in close collaboration with the Tokyo Foreign Office, the South Manchuria Railway Company, the newly-formed Hsing Chung Company, and Chinese and Japanese interests.

The formal apologies of Gen. Sung Cheh-yuan for the alleged maltreatment of a Korean by Chinese soldiers early last month were conveyed on Jan. 8 to the Japanese Embassy. At the same time, Gen. Liu Chia-luan, Chief of Staff of the 29th Corps, who represented Gen. Sung, informed Yoshio Muto, First Secretary of the Embassy, of the readiness of the Chinese authorities to comply with Japanese demands presented in connection with the incident.

While joint investigatioss are now in progress, the Tangku stuation which has arisen out of its occupation by Japanese troops remains unchanged, according to information received in Peiping Jan. 11. Japanese troops, the messages state, are still in occupation of the Tangku station, the Japanese flag is still flying over the station building, and the bogus Paoantui of the so-called East Hopei Autonomous Government are still stationed there. Taku and Hsinho are now garrisoned by troops of the 29th Army who are now only 40 li distant from the bogus Paoantui.

The Japanese press reports that the leaders of the "autonomist" movement are calling a conference in Tientsin "to consider the North China situation and the measure of fulfilment of the promises of self-government made by the present regime." It is predicted, says the Japanese press, that the conferees will demand complete independence from Nanking and the enforcement of "real autonomy." The "autonomists" are alleged to be disappointed with the activities of General Sung Cheh-yuan, and further "popular movements" appear likely unless his policy is chasged.

"MANCHUKUO" TROOPS THREATEN INVASION OF SUIYUAN

Reports received in Peiping state that "Manchukuo" troops under Li Shou-hsin, whose occupation of Shangtu in southwestern Chahar near the Suiyuan border was recently confirmed, are showing signs of advancing into districts of Eastern Suiyuan. In view of the situation the Suiyuan and Shansi provincial troops stationed along the eastern border are taking precautionary measures to check any invaaion by the bogus troops, it is learsed.

Shangtu, the western most of the six hsien in Chahar, was captured by "Manchukuo" troops on January 3, according to a *United Press* message from Peiping Jan. 9. The authorities in Suiyuan, convinced that the combined "Manchukuo" and Chahar Mongol forces intend to invade eastern Suiyuan, are rushing preparations to meet the expected invasion, declaring they will fight if invasion from Shangtu materializes.

The Hopei and Chahar Political Council held its third regular meeting Jan. 10 under the chairmanship of Gen. Sung Cheh-yuan. Gen. Hsiao Cheng-ying, Mayor of Tientsin, made a detailed report of the result of his negotiations wits the Japanese authorities at Tientsin concerning the east Hopei and Chahar situation. Gen. Hsiao's report was followed by that of Gen. Chang Chih-chung, Chairman of the Chahar Provincial Goyernment, who informed the Council of the situation in his province following the occupation of the six hsien by the Mongolian forces. Discussions at the meeting were reported to be centered on the Tangku incident and the Chaoyangmen shooting case. After mutual exchange of opinions, it was decided that negotiations with the Japanese authorities should be pushed ahead with a view to obtaining an early satisfactory solution. Other resolutions concerning the economic asd foreign affairs committees of the Council were also adopted. It is learned that both the committees

will be inaugurated shortly and that Gen. Hsiao Cheng-ying and Chen Chung-fu have been nominated chairmen of the Economic and the Foreign Affairs Committtees respectively.

JAPANESE MILITARY TO PRESS TOKYO FOR INCREASE OF NORTH CHINA GARRISON

The Japanese military conference in Tientsin has decided to press the War Office at Tokyo to increase the strength of the Japanese garrison in North China to meet "new conditions." Considerable importance is being attached to the conference, especially becacse of the presence of General Itagaki, Assistant Chief-of-Staff of the Kwantung Army, who has been having consultations with General Tada, General Officer Commanding the Japanese forces in North China.

General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, was formally inducted into his concurrent office as Chairman of the Hopei Provincial Government at Paoting on Jan. 8. Also sworn into office were the other members of the reorganized Provincial Government. After his assumption of office, General Sung issued a written statement to the people of Hopei, pledging himself to the welfare of the province. General Sung returned to Peiping on Jan. 9.

Gen. Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council and Chairman of the Hopei Provincial Government, assumed his another concurrent post Jan. 14 as Pacification Commissioner for Hopei and Csahar.

HACHIRO ARITA STATED AS NEW JAPANESE AMBASSADOR TO CHINA

Mr. Hachiro Arita, Japanese Ambassador to Belgium, formally agreed to become Japan's next Ambassador to China Jan. 11, according to a *Domei* report from Tokyo.

Soon after his arrival in Tokyo from San Francisco Jan. 10 Mr. Arita conferred with Mr. Hirota, Foreign Minister, at which time the post was proferred to hhim. Following the interview with Mr. Hirota, he ambassador-designate conferred with Mamoru Shigemitsu, Vice-Minister of Foreign affairs.

Mr. Arita is expected to leave for his new post in February, after the Nanking Government indicates his acceptability. Mr. A. Ariyoshi, the present Ambassador, will return to Tokyo at the end of this month.

In an interview with *Domei*, Mr. Arita said that Japan should try to convince foreign powers that Japan "is the chief stabilizing force in the Orient, and has no desire to annex the neighboring nation." Japan must also strive, he added, to bring China to "rely upon us with an easy mind."

Enquiries made by the *Central News Agency* at responsible official circles in Nanking discredited reports published by certain Japanese papers in Shanghai to the effect that Gen. Ho Ying-chin, Minister of War, is slated by the National Government as Chinese Ambassador to Japan, succeeding Gen. Chiang Tso-ping.

Reuter reported that the Japanese Government is awaiting overtures from Nanking concerning the suggested establishment of a Sino-Japanese commission for the settlement of pending problems between the two countries. Meanwhile, the Japanese Government is stated to be watching the Chinese situation to see whether the atmosphere is suitable for organizing the proposed commission.

The Japanese Government, *Domei* learnt from authoritative sources, is now awaiting definite Chinese proposals on the formation of a Sino-Japanese Commission for the settlement of outstanding issues between the two countries. When the proposal was first broached to Mr. Shigemitsu by C. K. Ting, Chinese Charge D'Affaires, the former promised to consider the Nanking Government's plan, if it were of a detailed nature. Meantime, the Japanese Government is reported to be watching the situation in China, with a view to ascertaining whether the prevailing political atmosphere is suitable for the creation of the proposed body. The immediate and effective suppression of all anti-Japanese activities in China is held a prerequisite for the smooth conduct of the negotiations by Foreign Office officials, according to *Domei*.

The Japanese Foreign Office advocates a conference at Nanking concerning mutual outstanding problems, provided China shows definite results in the suppression of anti-Japanese agitations, *United Press* reported from Tokyo Jan. 9.

A comprehensive report on the Hopei-Chahar Political Council, the strength of the Japanese forces in North China and "Manchukuo" and the situation on the new Empire's borders with Outer Mongolia and Soviet Russia was made to the highest officials of the War Ministry by Lieut.-Col. Akira Muto, of the Military Affairs Bureau of the Ministry, on Jan. 9, according to a *Domei* message from Tokyo. Lieut.-Col. Muto's report will form the basis of discussions soon to be held by leading officers of the War Ministry and the General Staff. The projected conference is expect d to approve of an increase in the Japanese Garrison in North China advised by Lieut.-Col. Muto. The appropriations for this purpose will be included in the supplementary budget for 1936-37. The conferees will also consider an increase in the strength of the Japanese Kwantung Army, counselled by the officer.

UCHIDA TO CONFER WITH NANKING ON LOANS READJUSTMENT

Entrusted with the mission of readjusting old Japanese loans to China, Katsuji Uchida, managing director of the East Asia Industrial Company, will soon leave for Nanking to confer with the Central Government. The Association of Creditors of China had its first meeting of the year at Tokyo Jan. 10. The meeting was featured by a report on the loans already adjusted, and an exchange of views among the bankers present. Mr. Uchida last year succeeded in reaching an agreement with the Nanking Government on the readjustment of the Kiukiang-Nanchang Railway loan. Hitherto 25 loans, involving a total of 100,000,000 yen, have been adjusted. The total of defaulted loans reaches 800,000,000 yen.

Plans for the establishment of a powerful trade guild in North China were being considered today by officials of the Manchuria Exporters' Union, acrording to a *Domei* message from Dairen Jan. 10. The projected organ would engage both in imports and exports. Trade fairs, exhibiting North China's and "Manchukuo's" goods, will be staged by the union in April in Tokyo, Yokohama, Nagoya, Osaka, Kobe and Kyoto.

FIERCE FIGHTING BETWEEN GOVERNMENT TROOPS AND REDS IN KWEICHOW

According to a *Reuter* report from Canton, fierce fighting is going on between Government troops and the Communists under Ho Lung and Hsiao Keh in the vicinity of Chengyuan and Chenghsiungkuan, about 110 miles east of Kweiyang, the capital of Kweichow. The former town twice changed hands last week, but was finally reported to have been occupied by Government troops under General Shangkuan Yuan-shang and Kweichow provincial units after a sanguinary battle, in which Ho Lung's men suffered 20,00 casualties. Leaving Chengyuan to the victors, the Reds, who are attempting to break through from Hunan into Szechuan to join their comrades there, are stated to have reached Chenghsiungkuan, a few miles west of that place. Meanwhile, the Kweichow authorities are rushing all available forces to the front to stem the advance of the Communists towards their immediate objective, Kweiyang.

Interviewed, General Chang Ying-ming, chief-of-staff of the Kwangsi Army, stated that Kwangsi had sent four divisions to Kweichow to assist in the fight against the Reds. Official dispatches indicate that, despite difficulties of transportation due to the mountainous nature of the country and the absence of roads, the Kwangsi divisions are advancing steadily westward from Tuchun and Tushan, in southern Kweichow.

An army of 30,000 Communists, under Ho Lung and Hsiao Keh, are advancing upon Kweiyang, the provincial

(*Continued on page 234*)

Interesting Decisions Given by U.S. Court for China in "Extraterritorial Cases"

BY C. D. ALCOTT

(In the China Press)

ONE of the most interesting volumes, from a newspaperman's point of view, at least, to be found in the offices of most American attorneys in Shanghai, is a heavy tome called "Extraterritorial Cases." For the most part, it comprises decisions handed down by Judge Charles Sumner Lobingier, who preceded Judge Milton J. Purdy on the bench of the United States Court for China. And the compiler is none other than Judge Lobingier himself.

Pursuing the pages of this informative book a few days ago, the writer found considerable illuminative material, which, in view of the interest displayed in the trial of Messrs. Frank J. Raven and J. Warner Brown, former officials of the defunct American-Oriental Finance Corporation on charges of embezzlement, fraud and theft, is worth passing along to the public.

For instance, one finds Judge Lobingier's decision in connection with the refusal of Mr. V. Paul McRae, Acting Clerk of the United States Court for China, to accept proposed articles of incorporation nnder the laws of Alaska, submitted by Mr. Raven, for theAmerican-Oriental Bank, which crashed on May 23 along with the rest of the Raven concerns. Then there is the learned judge's ruling on an application for jury trial made by two escaped convicts from the local American jail. The United States Supreme Court ruling on the famous Ross case, argued during the hearing on the Raven and Brown motion for jury trial, is also reprinted.

Although ancient history, these three cases have suddenly assumed considerable importance, at least to the layman. Judge Lobingier's ruling in regard to the A.O.B.C. articles of incorporation sheds considerable light in connection with the establishment of the bank.

Mr. Raven tendered, in the spring of 1917, the articles of incorporation, it is revealed, under the Corporation Act of Congress of March 2, 1903. They were not accepted by the acting clerk of the court, on the grounds that they were insufficient. Raven attorneys filed application for a writ of mandamus to compel the clerk to file and record the articles.

Judge Rejects Application

In his decision, in which he rejected the application, Judge Lobingier stressed the importance of one requirement of the Act of March 2, 1903. This requirement stated: "No corporation shall issue any of its stock, except in consideration of money, labor, or property estimated at its true money value." Said the judge:

"The object of this (act) is evidently to insure a bona fide capital at the start and to prevent incorporation with merely watered stock." Clearly this is a wise precaution whose observance must be strictly enforced.

"Examining in the light of this requirement the articles here tendered we find that the applicants have stated 'the amount of capital stock' but not 'how the same shall be paid in.' It does not appear whether the stock has been issued (and hence capital created) 'in consideration of money, labor or property' or of something else, nor whether, if the consideration is other than money, it is 'estimated at its true money value.'

"Moreover the articles fail to show whether the capital stock is to be paid in before incorporation or after. For aught that appears the concern might be incorporated without any tangible capital by merely issuing certificates of stock. In this case, the applicants are worthy and reputable citizens and we may assume that no such result was intended. But as this is the first case where the question has arisen here we must adopt a rule which would apply to all situations and prevent incorporation by impecunious adventurers . . . . In providing for incorporation through the machinery of the Court, and imposing the responsibilities upon its officers, the act which we are now applying seems to have been intended to prevent the evils of loose and reckless incorporation by making possible in advance a careful scrutiny and strict exaction of all prescribed conditions. This offers opportunities of supervision which would be lost if the recording officer were treated as a mere automaton, obliged to accept any corporate papers which might be presented."

In conclusion, Judge Lobingier stated that the proposed article of incorporation for the American-Oriental Bank did not, in the Court's judgment, comply with the statute, and the writ of mandamus was denied.

The second decision of interest is that handed down by Judge Lobingier in connection with the case of the United States against Peter A. Grimes and Edward C. LeClair, escaped convicts, who tried to invoke the Constitution with petition for a jury trial. This was in April, 1915.

Almost a year previous, Judge Lobingier sentenced Grimes to three years' imprisonment in the local American jail after having been convicted of forgery. Grimes had confessed to having forged a check for $50, local currency. Clemency was requested by the accused, but it appears that Grimes had served a sentence in San Quentin Prison, also for forgery, with the result that he got three years.

LeClair was found guilty in November, 1914, of committing an armed robbery. It was charged that he, and one other, not named, had held up a pawnshop on Woosung Road. Judge Lobingier sentenced him to three years' imprisonment in the local American jail.

After a few months in the American jail, Grimes was placed aboard the United States Army Transport Sheridan for return to the United States where he was slated for transfer to a Federal prison to serve the rest of his sentence. At Nagasaki, Grimes escaped from the ship, was returned to Shanghai for trial on charges of escape and was given a year's additional imprisonment. He was returned to the local American jail on January 30, 1915.

Lock Up Jailer, Escape

Grimes and LeClair escaped from the local house of incarceration on April 10, 1935. They locked up the keeper, took his keys and walked out into the open air. Both were apprehended by Shanghai Municipal Police after a few hours.

LeClair invoked a clause of the Federal Constitution, demanding a jury trial. Judge Lobingier stated that these clauses were not in force in this extraterritorial jurisdiction, consequently provisions regarding jury trials were not available. He based this ruling on the Supreme Court decision on the Ross Case. Grimes received an additional year for this second escape while LeClair was given an added eight months.

To go into lengthy detail on the Ross Case would almost fill a book itself. That it was argued at some length before Judge Milton J. Helmick during the hearing on motion for jury trial of Messrs. Raven and Brown should clearly indicate that it is still of great importance as far as United States Court procedure in China is concerned. The writer, however, does not propose to deal with any technicalities of law involved but rather, his aim is to present the facts of the case for whatever historical and reader interest they might offer.

John Ross was a British subject, employed as a seaman aboard the American ship Bullion. It was alleged that on May 9, 1880, on board the ship which was lying the Yokohama, he assaulted and killed Robert Kelly, mate of the ship, with a knife. Although a British subject, Ross was by maritime treaty subject to the laws of the United States, and was tried in Yokohama for murder before Thomas B. Van Buren, Consul-General at Yokohama. He was sentenced to death and prior to the time set for this execution, was sent to the New York State Penitentiary at Albany.

Appeal Denied

On August 6, 1880, Rutherford B. Hawes, President of the United States, commuted the death sentence to life imprisonment. Ten years afterward, on Mar. 19, 1890, Ross applied to the Circuit Court of the United States for the Northern District of New York for a writ of habeas corpus for his discharge alleging that his conviction, sentence and imprisonment were unlawful.

The evidence reveals that the basis for this application was largely because defendant contended that he had not had a jury trial. At his trial before the Consul-General in Yokohama, attorney for Ross demanded that the charge be dismissed on the ground that his client could not be held for the alleged offense except upon the presentment or indictment of a grand jury. The motion was over-ruled. A motion for a jury on the trial was also made and denied. However, four associates were drawn from Americans residing in Yokohama to sit with the Consul-General. Mr. Bingham, Minister of Japan, approved the conviction and sentence but forwarded the records of the case to the Department of State for the consideration of President Hayes.

The District Court in New York denied the application and Ross carried the matter to the United States Supreme Court. In its decision, the Supreme Court dismissed the appeal with the result that Ross spent the rest of his life in prison. The decision was based on the ground that in such a case, the Constitution could hardly follow the flag, not beause there might not be enough Americans in a given corner of the world where extraterritorial privileges were enjoyed to form a jury, but because of the extraterritorial treaties with such places or countries.

And that was the end of the Ross Case.

I Wish I Were Deaf and Dumb

BY T. S. YOUNG

DR. Lin Yu-tang wants to go to Ethiopia and become a naturalized Abyssinian, because when he goes to America and Europe as an Abyssinian, he will be less ashamed of his own country. I have a great sympathy with his sentiment. Who has not, as a matter of fact? Great indeed will be the pleasure of being able to be one of the courageous peoples, who, although "uncivilized" and poorly equipped, are now winning the world's admiration for their heroic defence of their Fatherland.

I would be too glad to follow Dr. Lin's fine notion, but for three reasons. First, I have not the wherewithal to pay my passage to Ethiopia. Being born without a silver spoon in my mouth, I have been constantly confronted, from the school to the business world,with the difficulty of making both ends meet,and have never had the pleasure of carrying a bank pass book in my pocket. It is very unfortunate that Ethiopia is situated far away from China, and can not be reached by overland route. Otherwise, I would go there on foot as a pious pilgrim, and I am sure my poor legs would not fail me in carrying out my determination.

Secondly, I fear if the Ethiopian Government will grant a paper of naturalization to a foreigner coming from a country which has been noted for its policy of non-resistance. Being stigmatized as one of the weak lambs, I wonder if ferocious tigers will condescendingly accept me as their companion. Even if the Ethiopian Government can take me in as its naturalized citizen, I still doubt if I can go to America and Europe without being hailed as a Chinaman, when the pigment of my skin remains unchanged. Unless I can acquire the art of make-up from Eddie Cantor in disguising myself, this dual-nationality will possibly bring me even more embarrassment.

And thirdly, I have not the heart to leave behind my ancestral tombs, to which I have been bound with a tie so strong, that I can not cut it off by one single stroke. I have always admired the callousness of our former Manchurian generals, who could retreat with their personal armies in face of foreign invasion without putting up a semblance of resistance in defending their ancestral tombs, if not their country. Our age-old traditions and teaching have taught us that our ancestral tombs are a sacred place, which must not be abandoned on any account. Although I am not immersed in these traditions and teachings, I, nevertheless, do not care to see my ancestral tombs totally abandoned and uncared for.

Faced with these three reasons, or difficulties, I believe I shall have to be content with the sad lot of a Chinese. In deploring my sad lot, I, sometimes, have asked myself why my parents should have spent a big sum of money in sending me to schools for so-called higher education. This higher education has indeed made me an intellectal, but what good to be an intellectual? I believe my life will not be as miserable as it is today, if I remain illiterate and ignorant, as one of the millions of our farmers, who live upon what "the good earth" will produce for them, and who look upon political changes and developments without concern and impression.

Besides the suggestion of renouncing one's own nationality, there are, possibly, some other ways of escape from shames and humiliations. We may, for instance, seclude ourselves in some remote and inaccessible mountains, say, Taishan of Shantung, or Ngao-Mei-Shan of Szechuen, where business depression is unknown and Japanese sabre-rattling can not reach. Following the mode of living set by the famous Christian General, we can pose as farmers by wearing their dress and eating their food. We can spend the rest of our life in listening the to murmurs of running waters and the songs of singing birds, gardening, practising calligraphy, and reading old calssics.

Or, we may take up the holy order of a monk and seek consolation from spiritual food. By becoming a disciple of Buddhism, we can forget all mundane cares by chanting and knocking monotonously at the "wooden fish" from sun-rise to bed-time. Besides, we have been told that by sincere penitence, God will have mercy on us and give us a better lot in the next incarnation. Therefore, not only can we lead a care-free life, but we can also secure spiritual consolation.

Again, we may seek comfort and rest with wine and women. Drunkness and licentiousness are two expedients, to which we can conveniently resort for driving away our worries and anxieties. We have been met with many cases where persons who have been strictly sober and moral would stoop to seek pleasure from wine and women,when they have been driven to despair and despondency. They are not seeking pleasure for pleasure's sake, but for the purpose of relieving their pain, which otherwise would become insupportable. This inward suffering under the cloak of ecstasy deserves not only our sympathy, but our pity as well.

I would like very much to lead a hermit life in a desolate mountain, but being very poor as I have said before, I can not conscientiously leave my wife and children behind without providing them with something to live on. Living in a mountain at present seems to be a privilege exclusively enjoyed only by those officials who have either accumulated a great wealth, or can draw financial support from some sources. A poor man like me, of course, can not enjoy such a privilege. For the same reason, I can not afford to have my hair shaved off and embrace the faith of Buddhism. I would set myself to drinking, but alas, wine is never a friend to me, and throughout my past life of thirty-five years, I have not had the pleasure of drinking as much as a glass of beer. As to women, my pocket book is not fat enough to arouse their interest in myself.

So all ways of escape have been closed to me. In my hopeless and helpless state, I wish I were deaf and dumb. A deaf and dumb person has always been considered as being unfortunate but to be either at present is really a blessing. As a matter of fact, China has already been said to be a country of deaf and dumb, people because they are neither told of true aspects of political changes and exact texts of foreign agreements, nor permitted to express freely their own sentiments on any materts regarding the government. Such being the case, I wish I were deaf and dumb at the same time, so that I would be deprived of the functions of my audible and vocal organs.

I wish to be deaf, because I am tired of hearing the sabre-rattling of Japanese warlords, the tramp of Japanese soldiers, the friendly talks of Japanese diplomats, the flowery promises of government reforms, and the frequent assurances of territorial integrity. I am also sick of listening to the patriotic appeals of young students, the dying moans of famine victims and the rebellious cries of over-taxed farmers. I can not work by day and sleep at night,when these diverse sounds ring in my ears and chafe my nerves. I always think how happy I would be if these sounds could not enter into my head and impress my mind.

I wish also to be dumb, so that I can not utter a single word to incur the displeasure of any body. I do not want to lose my life simply because of my guilt in criticizing anybody—not that I hold my life dear, but I deem such a sacrifice is not worth the candle. Living under the present circumstances, no matter what great caution you take in your speech, when you are carried away by your enthusiasm you may without your own knowledge slip out some words which may be easily construed as disparaging remarks against some one in power. As I hate to offend any body, so I wish to be dumb.

I would like to be blind too, but for the fact that being blind I shall become a hindrance instead of a help to my poor family. Besides, I place as great a value on my life as many of our generals have placed upon theirs. Blessed with good eye-sight, I can take to my heels and flee to foreign settlements in case of Japanese invasion extending to my city, without the fear of being left behind in the hands of the Japanese conquerors and living as a slave under the foreign yoke.

British-American Tobacco Profits Rise by £16,190: Dividend the Same

An increase of £16,190 in net profits in the year to September 30 is revealed in a preliminary statement issued last month by the British-American Tobacco Co. After deducting all charges and management expenses, etc., and providing for tax, net earnings amount to £5,469,171, compared with £5,452,981 in the previous year. In 1932-33 the figure was £5,403,066.

A final dividend of 8d. per £1 of ordinary stock is to be paid on Jan. 17. This will bring the total distribution up to 20 per cent., tax free, for the fifth successive year. The carry-forward is raised from £2,209,642 to £2,357,877.

Japanese Paper Points Out the Incentive to Sugar Smuggling

Shanghai sugar dealers are showing increasing uneasiness over the growth of the amount of smuggled goods on the market, the *Shanghai Nichi-Nichi* reports. This contraband comes mostly from North China. Sugar originally costing $7 has to be sold in Shanghai, for $22 because of $15 import duty. "This 210 percent duty is perhaps the highest in the world," the paper continued. "Under these circumstances, a smuggler can clear a profit even if he fails in two out of three attempts. This will naturally further encourage smuggling and observers believe that instead of an anticipated increase in import duty returns, the National government will soon be confronted with a decrease."

Forty-one Red Suspects Committed for Trial in Korea

The press ban on the mass trial of alleged Korean Communists was lifted Dec. 23, when it was announced that 41 out of 96 Red suspects had been committed to the district court for public trial on a charge of having violated the peace preservation law. Police examination revealed that they had been carrying on "underground activities since 1933 aiming at the reorganization of the Korean Communist party."

Japan Withdraws from Naval Conference

Japan is withdrawing from the Naval Conference, it was officially announced in London, Jan. 13. British naval experts in London, Jan. 14 envisaged the following repercussions from Japan's withdrawal:—

Japan's position in eastern Asia will be strengthened, thereby enabling Japan to hasten the program which is attributed to her, for the domination of China.

The movement for an Anglo-Japanese understanding regarding mutual rights in China will be abandoned.

Britain will seek a general understanding with the United States, particularly regarding the Orient and the entire Pacific area. Britain, it is understood, hopes for American support in curbing the program of Japanese expansion.

The domination of Japanese affairs by militaristic influences will be intensified, with the civilian groups which support parliamentary government again overshadowed, as during the wave of intense nationalism which followed the Army's Manchurian adventure in 1931 and 1932.

Japanese Delayed Withdrawal from Arms Conference, But Finally Took Action

A report recommending that Japan should not withdraw from the London naval conference forthwith, if avoidable, was unanimously approved at an extraordinary session of the Japanese Cabinet in Tokyo Jan. 12. Immediately after the meeting was over, the Prime Minister, Admiral Okada, went to the Palace and obtained the Emperor's sanction to forward new instructions to Admiral Nagano, the head of the Japanese delegation to the Conference.

The report declared that, in view of the fact that the Conference was convened with the lofty hope of contributing to world peace, Japan should leave no stone unturned to maintain its structure. Japan, the document continued, should not withdraw from the Conference until a full explanation has been made of the Japanese point of view, which has not yet been fully elucidated, notably concerning the abolition or substantial reduction of offensive weapons, namely, capital ships, aircraft-carriers, and "A" class cruisers. If an agreement on quantitative limitation proves hopeless, Japan is ready to co-operate in the discussion of proposals submitted by other delegations, for example, the limitation of submarine warfare.

If, however, the Japanese delegation is finally forced to withdraw from the Conference owing to the attitude of the other delegates, Japan is willing to leave observers at the Conference, the report added. Telegrams from Geneva indicated that if the Japanese should withdraw the British, French, Italian and American delegations would continue the conference without them.

Meeting of Italian Fascist Grand Council Is Delayed

The meeting of the Italian Fascist Grand Council convened for January 18, has been postponed until February 1, in order to see what transpires at the meeting of the Council of the League of Nations at Geneva on January 20. The Italian Cabinet will meet on January 30, and the Supreme Defense Council on February 4. It is learnt from authoritative circles that Italy will regard the imposition of an oil embargo as a very serious matter, but hitherto it has not been possible to discover whether such a step will be regarded as an act of "war."

Morgan Companies Made Huge Sales of Munitions Before U.S. Entered World War

Evidence that the companies in which J. P. Morgan, internationally famous banker, was interested, had sold to Great Britain and France $363,000,000 worth of explosives, war materials, food, clothing, medical supplies and artificial limbs, prior to the United States entering the World War, was given at a session of the inquiry being conducted by the Senate Committee in Washington Jan. 8 into the financing of supplies of munitions for the World War. The evidence also showed that Mr. Morgan's concerns had contracted to purchase rifles worth $194,000,000 intended for British and Russian troops in 1915.

Changes Made in American Neutrality Bill

The Foreign Relations Committee of the Senate Jan. 10 eliminated from the American Neutrality Bill the section authorizing the President to prohibit the shipment of articles which could be used for war purposes whenever he found "that, to refrain from placing such restrictions, would contribute to the prolongation or expansion of war." The Committee retained the provision that such shipments should be banned whenever the President found that such a ban would serve to promote security, preserve the neutrality of the United States, or protect the lives and commerce of Americans.

Sir Frederick Whyte Says Russo-Japanese War Is Inevitable

"It may be said that war is inevitable between Soviet Russia and Japan" was the sensational statement made by Sir Frederick Wayte, formerly the British Government's Adviser in China and political adviser to the Chinese Government, while speaking on war danger in the Far East at a meeting of the Royal United Services institution in London Jan. 9. "It is conceivable, though I do not believe it probable, that there may be war between the United States and Japan, but the circumstances which would promote such a war would bring us in as well," he went on.

Speaking of British opinion's attitude towards the events in the Far East, Sir Frederick said: "The majority of our fellow-countrymen are pro-Chinese, but in the Services, the majority are perhaps the other way. For my part, I think that we have reached a point when we ought to be for ourselves, because we have come to a critical situation in our Far Eastern relations."

Rain Comes to the Aid of the Ethiopians

Heavy rains are reported throughout Abyssinia and, according to a message from Dessie, the rainy season, which usually lasts three weeks, has begun. Low clouds and bad visibility practically exclude successful aerial action and render motor transport movements difficult.

Italians Desert—Flee to Germany and Austria

Despite official denials of a wholesale exodus of Italians into Germany and Austria in order to avoid military service in East Africa, a *U. P.* message from Munich, Jan. 10 published estimates that 2,000 Italian subjects had already fled.

Britain Withdraws Large Part of Fleet from Mediterranean

One of the concrete results of the closer working together of France and England, has been that a large part of the British Fleet in the Mediterranean is being withdrawn to the Atlantic and after a cruise is to return to the United Kingdom. Simultaneously the French have sent more naval units to the Mediterranean.

A Paris message stated that the planned maneuvers of the French Mediterranean Fleet off Corsica are the first tangible result of the Franco-British mutual and negotiations.

In view of the close Franco-Italian relations, Signor Mussolini is believed to regard the presence of French warships in the Mediterranean with a less prejudiced eye than he does the presence of British warships.

Central Bank Makes Profit of Approximately $12,000,000

The profit made by the Central Bank of China during the year 1935 totaled approximately $12,000,000, according to an estimate made by the Chinese Bankers' Association in Shanghai. Surprising strides of progress have also been reported in the business of the Central Trust which was established under the Central Bank on October 1. To date the total of deposits put in the Central Trust amount to approximately $9,000,000, while the total covered by insurance policies issued amount to approximately $170,090,000.

Other Chinese banks listed for which the year 1935 has been a profitable one include the Bank of China; making a total profit of approximately $1,000,000; Bank of Communications, $1,300,000; Manufacturers' Bank of China, $900,000; Shanghai Commercial and Savings Bank, $840,000; Yien Yieh Bank, $800,000; Continental Bank, $670,000; China South Seas, $600,000; National Commercial Bank, $500,000; Commercial Bank, $600,000; Agricultural and Industrial Bank of China, $510,000; China State Bank, $580,000; Chekiang Industrial Bank, $560,000; Ningpo Commercial and Savings Bank, $310,000; Chung Fu Bank, $290,000; Land Bank of China, $280,000; Kiangsu Bank, $245,000; Chung Wai Bank, $210,000; Young Brothers Banking Corporation, $200,000; Kiangsu-Chekiang Bank, $160,000; Shanghai City Bank, $140,000; Silk Industry Bank, $90,000; etc.

$300,000 of Copper Notes Issued in Hunan

The Hunan Provincial Bank has issued $300,000 worth of copper notes as a means of facilitating business transactions in the provincial markets.

42,000 College Students in China

During the academic year of 1933, a total of 42,983 students of both sexes were enrolled in the various colleges and universities in China, according to statistics released by the Ministry of Education. Among them, the figures show, 14,133 students were majors in natural sciences, agriculture, engineering and medicine, 28,787 in arts, law, commerce and education, and the rest in other subjects.

Hu Han-min's Comeback

BY C. Y. HSIEH

ONCE again the Chinese political stage is enlivened, this time by the comeback of Hu Han-Min, who was recently appointed Chairman of the Central Executive Committee of the Kuomintang. For his reception Nanking and Canton have openly vied with each other as shown in the appointment of delegates by both to proceed to Hongkong to welcome him. There is no doubt that tremendous ovations also await him on every hand when he arrives in the motherland after a short voluntary exile in Europe. But of greater consequence than mere grandeur of the triumphant return is the fact that his arrival is generally regarded as heralding important changes in the Government.

A victim of "political malady," Mr. Hu sometime ago accepted a Government offer that he go abroad and "recuperate his health." From this trip, as from many a political trip, he has returned with much enhanced prestige. It appears now that his services are in great demand by both Nanking and Canton.

To Canton Mr. Hu is a strong asset for its opposition regime. As leader of the group to which the name "elder statesmen" is applied, he is supreme so far as party and political matters are concerned, just as General Chen Chi-tang is supreme in military affairs. The recent weakening of the "elders" caused by the demise of Teng Cheh-ju, the declining health of Hsiao Fu-chen, and the tendency of some like Chow Lu to return to the Nanking fold must make the Southwest bid all the harder for Mr. Hu's services.

Yet Nanking would not be outdone. For years it has pushed the cause of national unity in a persistent though tactful manner. It has shown laudable patience toward the Southwestern leaders to the end that they might eventually rejoin their comrades in Nanking. And nowhere and at no other time was it more evident than in the recent Fifth National Kuomintang Congress that the Central Government has conceived and striven to meet the need of greater unity as the only way out of the present crisis. Now that the reconciliation has been well-nigh complete, it is to be presumed that no effort will be spared to bring about perfect union. In such a case Mr. Hu would be greatly missed in Nanking if he were to hold himself aloof.

But will he heed or ignore Nanking's overture? That is the question.

Our belief—and this must have occurred to Mr. Hu himself—is that whatever may be his chances at Nanking, there is no future for him in Canton. The co-operation between the "elder statesmen" and the "strong men" of the Southwest is not to be taken seriously. Their only bond seems to be a common animosity towards Nanking. Aside from that, they have next to no sympathy for, and understanding of, one another. As to the "elders" themselves, they have approached the twilight of their age and are thus incapable of any capacious outlook. A shrewd leader like Mr. Hu should have no difficulty in seeing that by comparison he is far too young to tie his future with that of people like Hsiao Fu-chen.

If Mr. Hu finds his civilian colleagues lagging behind the times, he is no more fortunate with his military associates in the South. Strong-willed yet provincial, these army leaders have too little national consciousness and statesmanship to become anything but local warlords. The futility of counting on them for great undertakings should have led Mr. Hu to forsake his erstwhile station.

Then what about Nanking? Here Mr. Hu had been one of the foremost political figures during the first few years of the National Government, had a fine record to his credit, and would have carried on as the chief civilian power had not an unfortunate difference of opinion arisen between himself and General Chiang Kai-shek which caused his retirement. Many people are inclined to regard his breach with the Generalissimo as irreparable. That need not be the case. For there is every reason to hope that old comradeship may survive temporary misunderstandings. Furthermore, if General Chiang could assume the initiative in burying the hatchet with Generals Feng Yu-hsiang and Yen Hsi-shan, the chances are that he will be even more accommodating to Mr. Hu. In this connection the news of a preliminary meeting in Shanghai between General Chiang and Mr. Hu should be received as a hopeful sign.

Political leaders in China nowadays cannot fail to realize that national unity or disunity is an issue far bigger than mere harmony or clash of strong personalities. It is an issue vital to national existence and racial preservation. Never has unity been more needed than it is today. Happily, at the same time, never has it had a brighter prospect than it has today.

Philippines to Apply to Britain for Protection?

A *Reuter* message from Washington Dec. 26 stated that there are indications that if the United States proceeds with her program of complete independence for the islands in 10 years, the Philippine Government will apply for admission to the British Empire when the United States protection is withdrawn; to such an extent does she fear domination by Japan.

Chinese Volunteers Continue to Harass the Japanese-"Manchukuo" Forces

(From a Correspondent)

SINCE the close of the last "kaoliang" season, Chinese volunteers in various parts of the Three Eastern Provinces have retreated into mountainous regions and dense forests in order to avoid being quelled. For the time being, only small detachments of them occasionally leave these places of retreat to invade cities and towns. There is no means of knowing exactly where they are, since they try their best to evade major encounters with the Japanese-"Manchukuo" forces. All seems, therefore, to be quiet in Manchuria. However, this does not mean that the Chinese volunteers are no longer engaged in bloody struggles. The following are some pieces of information on their latest activities:

Harbin.—On November 3, a body of more than 300 volunteers under Tung Shan-hao attacked the s. s. *Kiangan* which was sailing up the Sungari River from Fuyu. The volunteers had gone aboard 30 smacks and sailed from the Yungwei Rivulet. They encountered the steamer near Buoy 155 on the Sungari. During the severe engagement that ensued, over twenty Japanese police on board the steamer offered a stubborn resistance. After one hour of severe fighting, a Japanese police officer was seriously injured while two Japanese police were killed in action. At length, the steamer escaped, travelling at full speed.

Harbin.—On November 17, upwards of 170 volunteers launched an attack on a passenger and freight train on the Chinese Eastern Railway, somewhere between Soong Station and Anta Station. Thereupon an armed clash took place between the volunteers and the Japanese police on board the train, until the arrival of Japanese garrison troops from Anta Station put the former to flight.

Kirin.—On November 19, while carrying on anti-Japanese activities in the southern part of Kirin Province, a group of some 150 volunteers encountered a Japanese punitive expedition. After severe fighting, a Japanese soldier was killed and two others were seriously wounded. The casualties suffered by the volunteers was estimated at 12.

Antung.—A large body of over 400 volunteers, who had been active in the region of Tungpien, recently stole into Tiaotsienling with the intention of invading Tsian. As soon as the "Manchukuo" authorities got wind of this scheme, they despatched a punitive force of over 300 "Manchukuo" police to Tsian to start offensive operations against the volunteers. After more than five hours of fighting, a "Manchukuo" police officer was wounded while 15 police were killed and 20 others injured.

Antung.—Being pressed hard by punitive troops, the Chinese volunteers in the region of Tungpien recently separated themselves into small bands with the object of harassing the former at various places simultaneously. On November 21, a force of Chinese volunteers estimtaed to be 40 strong invaded Muchipeikou, which was the garrison area of the 7th Regiment of the "Manchukuo" Army. After one hour of fighting, the volunteers were put to flight. Not long afterwards, another band of volunteers invaded Tunghua. Other groups of volunteers, such as the Heaven-Sent Anti-Japanese Army under Wu Tien-Chen, carried on anti-Japanese activities in the region of Tunghuanjen. In addition, small bands of volunteers invaded various parts of Kirin Province. In view of the numerous and sporadic coperations of these volunteers, the hands of the Japanese-"Manchukuo" authorities have been kept fully occupied in sending out one punitive expedition after another.

Mukden.—On November 27, a body of over 300 volunteers invaded Tai-an, where they clashed with a mixed force of "Manchukuo" police and Japanese garrison troops, During the fight, the "Manchukuo" official in charge of the district telegraphed to the Japanese garrison force at Sinmin for aid. At the approach of Japanese reinforcements, the volunteers took to their heels, setting fire to a number of houses.

Harbin, December 24, 1935.

Uchida Again to Discuss Japanese Loans to China

Entrusted with the mission of readjusting old Japanese loans to China, Dr. Katsuji Uchida, Managing Director of the East Asia Industrial Company, will shortly visit Nanking. The Association of Creditors to China had its first meeting of the year in Tokyo Jan. 10. The meeting was featured by a report on the loans already adjusted, and an exchange of views among the bankers present.

Mr. Uchida last year succeeded in reaching an agreement with the Nanking Government on the readjustment of the Kiukiang-Nanchang Railway loan.

Hitherto 25 loans, involving a total of Yen 100,000,000 have been adjusted. The total of defaulted loans reaches Yen 800,000,000.

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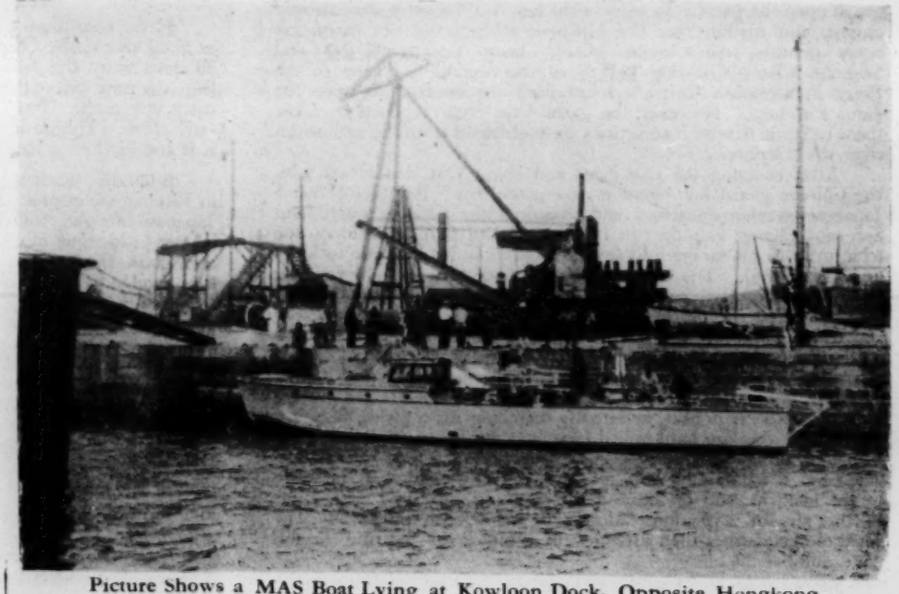
Italian MAS Boats Steam All Around British Battleships in Mediterranean

IN connection with the announcement that the principal units of the British fleet are being withdrawn from the Mediterranean, it is *apropos* to make further reference to the Italian MAS Boats, two of which were furnished to the Kwangtung Government last year. These MAS boats are a distinct feature of the Italian navy. They get their name from the phrase popularized by d'Annunzio "Memento Audere Semper" ("always remember audacity")—and audacious these boats certainly are. When the largest British battleships are moving about in the Meditarranean, among them the gigantic *Hood*, it is not uncommon for these Italian MAS boats to cross the bows of the British war vessels going in one direction and later to cross the stern going in the other direction. They always punctiliously saluted when doing so. On one occasion this was done when the *Hood* was steaming at 40 knots an hour. These MAS boats are one of three major arms which Italy depends on in any future war. In Italian opinion the battleship is largely obsolete. The other two categories are the submarines and the bombing planes. The *Review of Reviews* relates that the MAS is a long frail shell of aluminum and light wood which makes 60 knots at contract speed. (One has touched 80 knots; often they go 75.) Each carries two torpedoes. (One torpedo properly placed will destroy a battleship.) A rifle bullet or a gust of wind may destroy a MAS. They are operated by picked volunter officers, three to a boat. Because of her strategic position in the Mediterranean, these three arms (planes, subs and MAS) are Italy's primary naval weapons. With them she can strike any vital part of the "Roman lake" in one jump.



Picture Shows a MAS Boat Lying at Kowloon Dock, Opposite Hongkong

Investigation Shows that Report of Peiping Shooting Episode Was Distorted

BY C. Y. W. MENG (孟長泳)

ACCORDING to a report from *Domei*, a Japanese news agency, dated Jan. 7, from Tientsin, trouble flared anew in North China as Japanese military authorities in Peiping filed a strongly-worded protest with General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, against the alleged firing upon a group of Japanese officers by soldiers under his command on Jan. 5. According to the same news agency, the command of the Japanese Garrison and Major Takeo Imai, Japanese resident officer in Peiping, are taking a very serious view of the incident, considering it an insult to the Imperial Army. The protest is expected, in informed quarters in Peiping, to be followed by representations from Kwangtung Army officers stationed there.

The Japanese Version

According to the Japanese version of the shooting which was submitted for publicity purposes to all news agencies and which was circulated by *Reuters* in Peiping, at 10:30 p.m. on Sunday (Jan. 5), after the gates had been shut for the night, a car containing five Japanese soldiers and one officer approached from Tungchow and demanded that the guard open the gate. This was done after permission had been obtained from the authorities. The Japanese car drove in, and it is claimed that "as it went down the street at least 30 shots were fired at the occupants."

It is added that negotiations between the Chinese and Japanese authorities failed to reach a settlement, whereupon the Japanese military authorities filed a strong protest and reserved the right to make demands.

Again, according to *Domei*, a petition from the local branch of the Japanese Ex-Servicemen's Association was submitted to the High Japanese Army officers demanding "that they instruct the Japanese forces in China to take adequate measures to protect the honor of the Army and the prestige of the nation." The speakers at the meeting of the Ex-Servicemen, according to *Domei*, used strong terms in denouncing the "insolence" of the Chinese troops under General Sung Cheh-yuan, citing the alleged attack upon Japanese officers at Chaoyang Gate and the reported insult to the Japanese flag at Tangku.

Such is the Japanese version from the Japanese news agency of the Chaoyang Gate shooting episode in Peiping on Jan. 5. The foreign papers in China which have been bought over by Japanese money lost no time in giving full publication of the report from *Domei*, and under sub-headings, the papers stated that "drastic steps were predicted if anti-Japanese attacks continue," "fears that the matter will lead to the raising of larger issues," etc.

Another Independent Version

The following is a brief account of the episode from a reliable and independent observer who tells more about the incident:—

At 10:30 p.m. on Sunday (Jan. 5) after the gates had been shut for the night, some Japanese soldiers demanded that the Chinese guard open the gates. In view of the fact that the gates were already closed, and further that the Japanese soldiers did not carry any entry permits, the Chinese guard, Chang Yu-ting 張玉亭 and Sergeant Chang Chu-ting 張巨廷 of the Second Company of the Peace Preservation Corps, did not have the courage to open the gates for them. However, the gates were finally opened to allow them to come in after instructions were obtained from the authorities over the telephone.

After entering the city gates and being very dissatisfied with the Chinese guard for opening the gate "late" for them, the 5 Japanese gendarmes seized and assaulted the Chinese guard and Sergeant Chang, resulting in blood-letting of Sergeant Chang due to injuries to his mouth and several wounds in his legs due to kicks he had received. The Chinese sergeant made his escape by running away outside the gate. The Japanese gendarmes then entered and ransacked the headquarters of the Chinese Gendarmes nearby and found Sergeant Kai Tung-chi 解東啓 of the 29th Army Corps (under the command of General Sung Chi-yuan) who was questioned regarding the delay. After arguing but seeing that one of the Japanese gendarmes was holding him (Sergeant Kai), and putting his hand into his pocket, apparently searching for a pistol, Sergeant Kai, after struggling hard pulled away and ran up to the city wall. The Japanese gendarmes gave chase after him, and fired three shots The Chinese soldiers on duty on the tower of the city wall, unaware of the incident, and on hearing the shooting, also fired a few shots in the air for a demonstration and self-defence purposes. The Japanese gendarmes then drove on in a motor car bearing license plate number 30.

Investigation No. 1:—At 12 p.m. on hearing of the incident, the Garrison Headquarters (Chinese) despatched a high official, Tyan Sen-feng 鈕先鋒 together with an official from the First Area Police Headquarters and 8 or 9 Japanese gendarmes to investigate the facts of the incident. Sergeant Chang told what had happened; and further, he showed the wounds on his body which he had received during the assault of the Japanese soldiers. The 8 or 9 Japanese gendarmes personally examined his injuries, and expressed their sympathy. They left a card. The 8 or 9 Japanese gendarmes then took away with them two shells of the bullets from Tyau Sen-feng. So much for investigation No. 1, conducted by Chinese officials together with 8 or 9 Japanese gendarmes.

Investigation No. 2:—At 2 p.m. suddenly, the First area Police Headquarters received a telephone call from the Japanese military headquarters to the effect that a Japanese Lieutenant would go with Tyan Sen-feng to the spot to "re-investigate" the incident. When they reached there, the Japanese lieutenant, demanded that he should go up to the city wall to investigate which was, however, not carried out due to the pursuasion of the Chinese soldiers. The Japanese lieutenant then asked Sergeant Chang to point out who among the Japanese gendarmes had assaulted him. Due to the fact that there were too many Japanese gendarmes, and further, that it was dark, it was impossible for Sergeant Chang to recognize those who had assaulted him before. The Japanese lieutenant at once announced that as Sergeant Chang could not tell who assaulted him, though he had wounds, they could not be taken as evidence. Therefore, the Japanese lieutenant asked Sergeant Chang to produce and sign a note stating that "there had been no assault." Realizing that under such circumstances the incident would not be terminated unless such a note was produced, Sergeant Chang did so. The note was handed over to the Japanese lieutenant by Tyau Sen-feng. The Japanese party then withdrew. So much for investigation No. 2, conducted by Japanese gendarmes under the direction of a Japanese lieutenant.

From the same account, the injuries of Sergeant Chang were examined by the hospital and certified by the physicians. The note which was produced, as the Chinese claimed, could not be valid, as it was done entirely under duress. The same account also points out that the Chinese guard or police at the Chaoyang or "Morning" Gate together with the police inspector including Sergeant Kai of the 29th Army Corps did not carry any arms. The Chinese soldiers on duty on the tower of the city wall carried only rifles. The shells which were examined and taken away by the 8 or 9 Japanese gendarmes when they conducted investigation No. 1. were for pistols, not for rifles.

Independent Version Confirmed

The above account dated Jan. 8 came from Peiping. On Jan. 8, the *Reuter* Service in Peiping carried almost the same report, though not in so much detail. This English news agency also verified that the Japanese gendarmes were the first to open fire in the episode, and that the Chinese guard and police did not fire a single shot, as they carried no arms.

Some Impressions

First, according to the Japanese version and *Domei* report, as cited above, the Chinese were accused of having fired more than 30 shots when the Japanese soldiers were running down the street. But it is now ascertained that the Chinese guard and police did not carry any arms. The Chinese soldiers on duty in the town carry only rifles. The shells which are preserved were for pistols. So it is absolutely not true that the Chinese ever opened fire at all.

Secondly, when we review the various accounts of the episode in Peiping, we cannot but conclude at once that it is only another Japanese intrigue, well planned and premeditated by some Japanese master of intrigue in China to purposely create trouble with, and to embarrass, the Chinese authorities, and to serve other purposes to be divulged later. The divergent conclusions of the first and second investigations indicate clearly that the whole intrigue was planned by a portion of the Japanese militarists who actually started it, while another portion of the Japanese militarists might not have had any knowledge of it. So when the first investigation by 8 or 9 Japanese gendarmes took place, it resulted in an expression of sympathy from the Japanese gendarmes to the wounded Chinese officer. But, apparently, later on, the Japanese gendarmes were notified of the Japanese intrigue, so they demanded another or second investigtaion, the result of which was just the opposite of that of the first.

Further, when they demanded to be allowed to enter the gates at almost midnight, the Japanese soldiers not only did not produce any entry permits, but did not state any reason. Apparently the Japanese knew well that the gates were closed after 10:30. That they suddenly demanded that the gate be opened and further, that they purposely made trouble with the Chinese when there should have been no further trouble, as the gates had been opened, convinces us that it is another intrigue and that a Japanese master of intrigue as well as the Japanese militrists intend to utilize the incident for other bigger purposes later.

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Thirdly, the shooting in Peiping on Jan. 5 is another case where the Japanese militarists forced the Chinese officials to sign a note telling what is entirely untrue in order to deceive the whole world. We remember that during the Japanese invasion of Tsinan where the Japanese attempted to block the advance of the nationalist armies under the command of General Chiang Kai-shek in Shantung, during the negotiations, the Japanese also forced Huang Fo, then Chinese negotiator with the Japanese forces, to sign "閱" or "noted" on a certain document. The story is too vivid in our minds to need any further repetition.

It is thus clear that what was reported by Japanese sources and by *Domei* on the "shooting" in Peiping is only a malicious and wilful fabrication of facts, and a distorted report of the incident, with the sole intention of misleading and deceiving the whole world. So our contemporaries are reminded that incidents of this kind are purposely manufactured by a Japanese master of intrigue with definite objectives in mind; and they are not due in any way to Chinese anti-Japanese attacks or activities; and that such matters lead to the raising of larger issues just because the Japanese intend and want to make them do so.

More of Such Episodes Will Occur

As the Japanese militarists are attempting to wrest all of North China from China, we predict more incidents of this kind will occur where the Japanese purposely create trouble with the Chinese authorities to give cause or justification for their military actions in China. We will also hear more distorted reports of this kind of many incidents when the Japanese special and well-paid propagandists intend to mislead and deceive the world. Like the Nakayama Murder case which was utilized as one of the causes for military action in Manchuria, the shooting episode in Peiping on Jan. 5, the Tangku Incident, and hundreds of others to come all have their respective purpose to serve. It is now up to the Chinese to note that when these incidents occur, it generally indicates that some major Japanese military action is pending. It is foolish for them to think that the tender of an apology would settle such an incident. Secondly, it is up to the whole world to take cognizance that usually what is reported by Japanese official sources and agencies of any incident is a distorted report, to which they should never give any credence. The Japanese may continue to do so, but in doing so, they can never cover up the truth, but they must realize that they have brought about complete destruction of the honor of the Army and the prestige of the Nation, not by the Chinese but by the Japanese themselves.

Nanking, January 10, 1936.

"Cathay Cosmopolitan"—New Shanghai Magazine Venture

To the already long list of weekly and monthly journals in Shanghai there has now been added still another, the *Cathay Cosmopolitan*, a monthly, the initial issue of which appears in a gaily colored cover, and with a string of advertisements which must evoke the envy of many of the older established publications. The main thing that stands out in this new publication is that it starts with a new idea, and, true to its name, it tries to capitalize the cosmopolitanism of this international port—something which has never been before attempted, but which, according to all the rules of Hoyle, ought to succeed. The editor is George M. Battey, with Ian Black-Douglas as associate editor. They have hit on the happy idea of getting some prominent person in each nationality, or sympathetic to that nationality, put forward that particular country's point of view—the editors rounding off these articles with spicy references to local affairs. The journalistic shores of Shanghai are strewn with the wrecks of many ventures, but of the *Cosmopolitan* we say with Joseph Addison, "'Tis not in mortals to command success, But we'll do more, Sempronius,—we'll deserve it."

Communist Government Said Established in Shensi

The establishment of a Chinese Central Soviet Government to govern the area in northern Shensi now being controlled by the joint Red forces under various leaders was reported in Tientsin, Jan. 11 by the *Kokutsu* News Agency.

Mao Tze-tung, chieftain of one of the bands, was said to have been elected president, with one Chou En-lai as his assistant. Two Russian Soviet citizens were reported to be serving as advisors.

Foochow to Suppress Shady Formosan 'Firms'

The Fukien authorities are reportedly formulating plans to purge Formosan residents in Fukien province of the great variety of illegal businesses run by them. Official statistics compiled by the Japanese Consulate-General there revealed that there are 1,505 Formosans resident in Fukien, of whom 1,118 are males and 387 females. It was shown that there are 337 opium dens, 56 opium sales agents, 8 pawnshops, 19 "bad" houses, and 485 irregular businesses operated by Formosans in Fukien.

Opium as a Problem of Kweichow

BY H. K. MENG (孟緒鏡)

AS we know, Kweichow is a poor and mountainous frontier province in the southwest of China. It is said that the roads in this province are very bad and that it has but a small trade with the outside world. Besides timber, its chief product is opium. The growing of the poppy has therefore been an important source of revenue in this frontier province.

A Historical Background

However, Kweichow did make an effort to suppress poppy-production and opium-smoking in her territory during the years 1916 to 1919. As a result, she got rid of poppy-growing almost completely in 1916, and of opium smoking by 1919.

The rigidness with which opium-suppression was enforced during that time in Kweichow may be illustrated by the fact that a peasant by the name of Tien Mien-wu was executed simply because on the roof of his cottage has been found a poppy seed, which in all probability was carried there by a sparrow. During the course of a speech delivered at Yuchen by the then Provincial Commissioner of Opium Suppression, he said that a foreigner would soon come to investigate the opium situation in Kweichow province, and that opium-suppression must therefore be strictly enforced.

The only place in the whole province which continued to produce the poppy after 1916 was Hsingni, the native town of the then Governor of Kweichow province. But for this deplorable exception, the opium evil would have been eradicated from this province before 1919.

Unfortunately, the opium evil was revived in Kweichow in 1920. The cause in not far to seek. At the beginning of that year, a Mr. Chang, who had just returned tl Kweichow from a tour of investigation in Yunnan, suggested to the Kweichow provincial authorities that the ban on poppy-growing and opium-smoking in Kweichow be removed, and that taxes be imposed on poppy-growing in order to obtain revenue. Thereupon, the provincial authorities issued a circular order to all the magistrates in the province, instructing them to connive at opium-smoking and to encourage poppy-growing as best they could. The result is that the number of opium addicts in Kweichow has greatly increased and that the poppy is now grown in most places in Kweichow, ousting rice and other crops and making the farmers. its poor victims.

The Sad Plight of the Farmers

Some think that farmers may make enormous profits from poppy-growing, but this is not true, especially in Kweichow, Most of the farmers in Kweichow are poor, so that they have to borrow money to buy fertilizers and to defray their daily expenses. Shylocks are found in Kweichow, as everywhere else. The poor farmers usually borrow under the condition that when the poppy crop is reaped and new opium produced, they should repay ten ounces of opium for very dollar borrowed in case the market price of opium is fifty cents per ounce. Owing to this high interest on money borrowed, it is but natural that the farmers can make little or no profit from poppy-growing.

What is worse still, it often hails heavily during March and April in Kweichow, thus destroying the poppy crop just when it is about to be reaped. With their poppy crop destroyed, the farmers are usually left penniless and in a state of untold misery. In this connection, it is to be noted that if the farmers should plant other crops instead of the poppy, no harm could be done to such crops for it would not be in March and April that they would be reaped.

Here arises this question: since the farmers can hardly make any profit from poppy-growing, why should they continue to engage in it? There are two reasons, First, poppy-growing has, as we have mentioned above, been more or less encouraged in Kweichow. Ignorant as they are, the farmers are easily persuaded to do anything. Secondly, they are like gamblers who, having lost once, continue to gamble in the hope that they may win the next time.

Chiang Kai-shek's Anti-Opium Campaign

One may ask another question: Has the Central Government or Gen. Chiang Kai-shek done anything to suppress the opium evil in Kweichow province? As is well known, Gen. Chiang has recently issued a circular order to the various provincial governments, stating that the opium evil must be completely eradicated from the country by the end of 1937. It will be interesting to see how this order will take effect in Kweichow.

It may be recalled that prior to his departure for Kweiyang last year to assume his post as Chairman of the Kweichow Provincial Government, Gen. Wu Chung-hsin said during a press interview in Nanking: "It goes without saying that the suppression of opium-smoking will be strictly enforced in Kweichow, but I am afraid that the growing of the poppy, which is a very delicate problem, can hardly be eliminated in a short time." Perhaps this serves to account for the fact that though the Kweichow Provincial Government recently adopted a set of regulations governing the suppression of opium-smoking, it has thus far made no provision for prohibition of poppy-growing.

It is very strange indeed that while opium-smoking is being suppressed throughout China, poppy-growing is not prohibited in Kweichow. I hope that the Central Government will do something to correct this paradoxical situation.

Shanghai, Jan. 13, 1936.

Canton Military Authorities Decide to Curb Students

The authorities in Canton, viewing student disturbances with the greatest concern, decided upon immediate drastic measures to control the situation. The Southwest Political Council Jan. 11 ordered the military headquarters of the Provincial Government to take the necessary military and police measures to prevent an outbreak of disturbances. Meanwhile, the Council issued a proclamation requiring boy and girl students who desire to take up patriotic work to be organized into a "national salvation volunteers corps" and a "national salvation nurse corps" respectively. It is intended to place the volunteer corps under the command of General Li Shu-chung, the garrison commander, and the nurse organization under the direct supervision of military headquarters. It is believed that the step taken by the authorities is an attempt to enforce military discipline over the students, in order to prevent a repetition of recent mob action when students invaded the Provincial Education Department and smashed furniture.

Martial Law Proclaimed in Canton

Martial law was proclaimed in Canton Jan. 13 by the authorities owing to fear that Communists would take advantage of the student trouble to create disturbances. Heavily-armed troops from the local garrison were posted in all streets throughout the city, while all pedestrians, buses, and private motor cars were stopped and searched. A number of students, including several girls, were injured in a clash between two rival groups of demonstrators. The trouble occurred while a group of students armed with weapons of various description and carrying a banner inscribed "the Canton Municipality People's National Salvation and Traitors Extermination Corps" were marching along Dopao Road, in the western section of the city.

For reasons unknown, another body of students, numbering about 1,000, launched an "attack" on the demonstrators from all sides. The procession immediately broke up and most of the marchers fled from the scene, but order was not restored until troops from the local garrison had been rushed to the scene.

It was reported that four of the students injured in the clash were in a serious condition. One of them later died.

Meanwhile, the agitation in the Sun Yat-sen University is still going on. Chow Lu, Chancellor of the University, sent a second telegram to the Ministry of Education again tendering his resignation and requesting that he be punished for his failure to curb the flagrant activities of the students.

"I hold myself responsible for the student trouble," the telegram declared. "The Government must uphold its dignity and mete out punishment for my inability to restrain the excessive agitation of under-graduates."

General Chiang Receives Students at Nanking

Gen. Chiang Kai-shek, in his capacity of President of the Executive Yuan, gave an interview at Nanking Jan 15 to student delegations from all over the country on the vital issues of the nation drawing near. A special reception committee appointed by the Ministry of Education made careful arrangements for ensuring an orderly and pleasant stay in the capital for the visiting students.

All dressed in uniforms made of grey native cloth, a group of 35 student delegates from Canton arrived in Shanghai Jan. 9 on their way to Nanking to attend the interview to be granted by General Chiang Kai-shek. Shouting violently anti-Japanese slogans, 5,000 students, representing all schools and colleges in Canton, staged fresh demonstrations Jan. 9. Pamphlets were distributed, denouncing the so-called autonomous movement in North China and urging armed resistance against Japan.

After an unsuccessful attempt to resume class work, the Ntional University of Peking was compelled to declare the winter recess in force as from Jan. 8, thus falling in line with other Government and private universities in Peiping.

Is There a Better Atmosphere in the North?

An absence of anti-Japanese feeling in North China was emphasized by Seigo Nakano, a member of the Japanese House of Representatives and the leader of a group of politicians and publicists who arrived here last week in a talk with the *Shanghai Nippo*. Mr. Nakano called on Gen. Wu Teh-chen, Mayor of Greater Shanghai, while here.

Yushan-Nanchang Railway Line Is Formally Opened

A large party of local bankers and journalists proceeded from Shanghai to Nanchang this week to attend the ceremonies marking the opening of the 300 kilometer Yushan-Nanchang section of the Chekiang-Kiangsi Railway.

Among the party participating in the railway opening ceremony were Tseng Yang-pu, Vice-Minister of Railways and Chairman of the Board of Directors of the Chekiang-Kiangsi Railway, who, while serving as Commissioner of the Reconstruction Bureau of the Chekiang Provincial Government was chiefly instrumental in the realization of the rail project. Chang Kia-ngau, Minister of Railways, also attended the opening ceremony of the railway.

Mr. Tseng officiated at the ceremony opening the railway, which was held at the South Station, Nanchang Jan. 15. Following the usual Kuomintang rites, reports were made by the Director of the Railway Administration and Chief Construction Engineer of the line.

Guests were taken in a special train after the ceremonies, on an inspection tour to the Liangchiatu Bridge and return to Nanchang. A banquet was given in the city.

Work Begins on Yushan-Nanchang Section

In conjunction with the opening of traffic on the Yushan-Nanchang section of the Chekiang-Kiangsi Railway, work on the Nanchang-Pinghsiang section has also commenced. This section will link up with the Canton-Hankow Railway. A branch line of the latter railway is already running between Pinghsiang and Changsha. When construction of the Nanchang-Pinghsiang section of the Chekiang-Kiangsi Railway is completed, it will be possible to travel from Shanghai to Canton by train.

Twenty-four Fall Before Peiping Firing Squads

A series of mass executions was carried out by the headquarters of the Peiping and Tientsin Garrison last week. On Monday morning three political offenders were shot at Tienchiao. These men were arrested at Wuching Hsien some time ago and were condemned to death under the act dealing with the punishment of offences endangering the safety of the Republic. Eleven men were executed by shooting at the same place on Wednesday morning. The condemned men included armed robbers and tomb desecrators. Some of them were arrested two years ago and had been held in the headquarters of the Peiping and Tientsin Garrison since. The following morning ten more people were executed at Tienchiao in the presence of a large crowd of spectators. With the exception of one man who was a drug peddlar, all the others were armed robbers. Besides the 24 men executed during the last three days, more than 300 prisoners guilty of minor offences have been released on parole by the headquarters of the Peiping and Tientsin Garrison. The department of military law of the garrison has been busy trying the many cases accumulated during the last few years, and hopes to be able to complete this task before the garrison is abolished and gives way to the headquarters of the Pacification Commissioner of Hopei and Charhar, which post is concurrently held by General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council and also of the Hopei provincial government.

Chinese Troops Allegedly Open Fire Upon Japanese Party

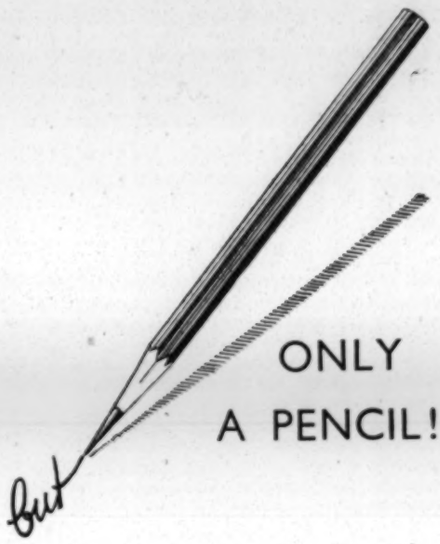
A group of Japanese military officers were fired upon by Chinese soldiers at 10 o'clock at night Jan. 6 while entering Peiping through the Chaoyang Gate. There were no casualties. Next morning, Major Takeo Imai, Japanese resident officer lodged a protest with Gen. Sung Cheh-yuan, Chairman of the Hopei Provincial Government and the Hopei-Charhar Political Council. The soldiers were commanded by one Feng Chih-an of the 39th Division of Gen. Sung's troops.

Kailan Mines Close Machiakou Pits

The closure of the Mochiakou pits of the Kailan Coal Mines, because of decreased output and the inferior quality of the product, was announced in Tientsin, Jan. 9.

Council Candidates Discussed by Committee of American Community

The American Community Committee held its regular monthly meeting at the Consulate-General, Jan. 13. Dr. Charles E. Patton was in the chair. Measures were taken looking toward the selection of American candidates for the forthcoming municipal election, also looking toward getting all ratepayer members of the American community enlisted both for the election and for the ratepayers' meeting to follow. The Municipal Elections Committee has for its officers Major Arthur Bassett as Chairman, Dr. Esson Gale as Vice-Chairman and M. P. Walker as Secretary.



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Italy Sends Consul General to Manchukuo

Confirmation that Italy is about to appoint Signor Leone Weilschott, until 1934 Councillor to the Italian Embassy at Tokyo, to the post of Consul-General at Mukden, was obtained in Rome, Jan. 9. To this appointment, tantamount to virtual recognition of Manchukuo by Italy, much importance is attached due to the fact that the post is being given to a former Embassy Councillor.

Italy maintained only a Consulate at Mukden up to the time of its closing, shortly after the Mukden incident of September 18, 1931, and the proposed elevation indicates the excellence of relations between Italy and Japan, it was pointed out by well-posted quarters in Hsinking together with the importance attached to the State of Manchukuo by the Fascist Government.

As early as 1933, preceding the year of Emperor Kang Teh's coronation, Manchukuo approached the Holy See. The following year, a bishop was appointed at the Vatican provisionally to represent the Pope at Mukden. Although he does not hold the powers of an Apostolic Delegate, that bishop does not come under the supervision of the Apostolic Delegate to China for the greater part of his functions.

China's participation in the economic sanctions being imposed upon Italy by the members of the League of Nations was viewed in Hsinking as a contributory cause towards Rome's reported intention to reopen its consular establishment in Manchuria, a *Domei* message stated.

The "Proper Procedure"

Commenting on Tokyo dispatches asserting that Signor Leone Weillschott, Italian diplomat, would soon proceed to Mukden to reopen his country's Consulate-General there, an official of the Tokyo Foreign Department Jan. 11 said that "Manchukuo" would "welcome the Italian action if the proper procedure is followed." This, he said, would consist in Italy asking the Changchun authorities for their assent to the action directly or through the "Manchukuo" Ambassador in Japan. The official asserted that Italy could not "arbitrarily reopen her consular establishment without 'Manchukuo's' approval."

Rome Says Appointment Does Not Imply Italy's Recognition

That the recently-announced appointment of an Italian Consul-General to Mukden by no means implied recognition of Manchukuo by Italy was emphasized in political quarters in Rome Jan 11.

Outer Mongols Said to Have Occupied Manchuria Village

Reports of a fresh but not serious Manchuria-Outer Mongolia "incident" reached Harbin Jan. 13, this time from Hulanhotoku, a village south of Buyer Nor. The village, which, it is claimed, is in Manchuria, is alleged to have been occupied by about 20 Outer Mongolian soldiers. A detachment of Japanese and "Manchukuo" troops approached the village on January 8, but there was no fighting as the Outer Mongolians withdrew peacefully. The Japanese-"Manchukuo" detachment, however, made a search of the village and found that a land mine had been concealed there.

Japanese Students with Mongol Guides Explore Hsingan Mountains

A party of seven Japanese university students and two Mongol guides who left Hailar on Jan. 2 are exploring the Hsingan mountains. Ten carts loaded with supplies and clothing accompanied the party, reports reaching Harbin said. Their expedition is hampered by the worst cold spell in a decade. Fears for their safety reported last week have proved to be unfounded.

Manchukuo Budget Includes $73,545,130 for Defense

The Manchukuo State Council meeting at Hsinking, Dec. 23 approved of the budget estimates for the Third Year of Kangte amounting to $219,405,000. The estimates of the various departments of the Government are as follows:

Imperial Household	$ 2,000,000
General Affairs Board	48,914,521
Civil Affairs	40,073,711
Foreign Affairs	1,531,347
Defense	73,545,130
Finance	35,394,281
Industry	5,623,368
Communications	4,115,722
Justice	9,886,130
Education	5,090,043
Mongolia Administration	5,090,043

An agreement has been reached between the Manchukuo and Japanese Governments to specify in the budgets of both Governments, Manchukuo's contribution to the national defense expenses of Japan. As a result, says the *Manchuria Daily News*, the $5,000,000 contribution which was decided upon during the Second Year of Kangte will be carried forward to be specified in the budget for the Third Year of Kangte.

These items for defense in the "puppet" budget—about 30 percent of the total—is in addition to the expenses of the Japanese Army operations.

Nanking Watches Move of Italy to Appoint Consul-General in Mukden

Messages from Nanking this week stated that the Chinese Government is paying close attention to the reported intention of the Italian Government to appoint a consul-general at Mukden. It is understood that the Nanking Foreign Office has cabled the Chinese Embassy in Rome to make enquiries on the subject. Chinese circles in the capital are of the opinion that, although the Powers have continued to maintain consulates in Manchuria after the Mukden "Incident," this has in no way implied recognition of Manchukuo. They emphasize, however, that all foreign consuls in Manchuria should receive their exequaturs from the Chinese Government.

Soviet Commissar Molotov Flays Japan and Germany

Japan and Germany were roundly condemned by V. M. Molotov, president of the Council of People's Commissars, at the opening session in Moscow Jan. 10 of the Central Executive Committee of the U.S.S.R. Thunderous applause from the delegates, more than 400 in number, greeted his statement that the "threatening war danger" on the eastern and western fronts was due to the "aggressive policies" of Japan and Germany. M. Molotov then demanded that the military budget of the Soviet Union of 1936 be augmented.

Turning to the Soviet's foreign relations in the past year, he said that, apart from Japan and Germany, these had been satisfactory.

After referring to the statement made by Anthony Eden, during his visit to Moscow last year concerning the absence of conflicting interests between Great Britain and the Soviets, the speaker expressed hope for increasingly better relations between the two countries in the coming year. Joseph Stalin, virtual dictator of Russia and other leaders of the Soviet Union received this remark with vigorous applause.

Russian Military Preparations Noted by Japanese Colonel

Major-General Yamawaki, who was until recently a military attache to the Japanese Legation in Poland, on returning to take up his new post in the War Office in Tokyo last week stated that Soviet Russia remains as enigmatic as ever. Owing to Germany's positive eastern policy, Soviet-German relations are strained, but as these countries are not contiguous to each other, Soviet attention seems to be more engrossed by the Far East. Throughout a day's train journey around Irkutsk, military establishments and arrangements caught his eye constantly. He said that he saw three big barracks, each of which is apparently capable of housing an Army Division. From the Siberian Railway many lines branch off. On all these branches he observed trains loaded with material such as barbed wire, cement and iron. At night, air beacons were flashing everywhere, showing all preparations to be complete for night flying. Aerodromes were seen in many places. The Soviet method of carrying batches of thirty infantrymen in transport planes, and dropping them in parachutes wherever they are needed has attracted world attention, he said.

Russia Closes Traffic Across Amur "Because of Plague"

A Heiho dispatch to the *Asahi* said that on Jan. 2 a Soviet diplomatic official stationed at Blagoe visited the Manchukuo Consul there and notified him of a decision to suspend traffic on the only international road between Heiho and Blagoe on the Amur. The reason given was that there is a plague in Manchukuo territory, across the border. On receipt of this intimation, the representatives of various Manchukuo organs at Heiho held a cenference the following day to discuss measures to meet the situation. There is no truth in the report that the plague is prevalent, they claimed.

China's Rug Exports Decline

Affected chiefly by the general decline in international trade and the high price of silver, the export of Chinese rugs, for which Tientsin is the center, has been on a considerable decline in recent years, a report recently released indicated. The highest export was in 1926 when it was almost ten million Chinese dollars. In 1934 the export was $4,846,107.

New Hupeh Chairman, Yang Yin-tai, Declares His Policy

(BY THE REVIEW'S HANKOW CORRESPONDENT)

YANG YIN-TAI, the newly installed chairman of Hupeh provincial government, outlined his policy at the Weekly Memorial Servince held at Wuchang Jan. 6. The governor grouped his policy under three headings:

First, there must be close cooperation between the Party and the political groups in Hupeh, thus assuring the aims of both being carried out to their mutual benefit.

Second, the next few years should see the realization of the practical aims of the New Life Movement. Only the superficial aspects of the Movement seem to have interested the great majority of the people. It is now time for the deeper aspects to be emphasized and realized. This will be to the future welfare of the commonwealth and to each and every area of society. The things needing to be stressed now are the military spirit, the scientific method, and the artistic mood.

Third, personal friends must not be employed in public service, unless they have submitted to civil service examination. Mr. Yang emphasized that he had never used persons in this way and never would, and declared himself unalterably opposed to nepotism in all its infamous forms.

The examination of candidates for public office ought to take into consideration adequate means of selection, training, and timely rewards for work well done.

In closing he advised modern educated youth of China to return to the villages and towns and try to introduce new ideas of education, sanitation, health, and reconstruction, to the villagers. This would bring in a new day sooner than any other way, and would be a distinct contribution worthy of the present student generation.

Hupeh Officials to Get Full Pay Again

The new chairman is going to be popular. Already he has managed to restore the salaries of the officials who received a 15 % cut last year. This will help overcome some of the local antipathy to Mr. Yang Yin-tai.

The cut was made last summer when the flood conditions of northwestern part of Hupeh Province grew worse.

$1,500,000 Received By Hupeh for Flood Relief

The Hupeh provincial authorities are in receipt of $1,500,000 for flood relief. Added speed will now be given the Hupeh flood relief plans. Dyke repairing will be begun in all strategic areas. Plans have already been completed for the building of new dykes where necessary. The things that have been lacking will now be supplied and the work of permanent relief will be carried one step further toward realization.

Wuhan Students Quiet Again

Following the closing of all higher schools in the Wuhan area, the students have quieted down. Delegates from college and middle school faculties and student bodies have been selected. The delegation departed for Nanking Jan. 11 to confer with similar delegations from schools in various parts of China.

Dr. Francis C. M. Wei, president of Hua Chung College, is the leading delegate from the Christian secondary schools in the Wuhan area. He thought that the movement would have something to offer if it did not overreach itself, and looked forward with confidence to meeting with the Generalissimo in Nanking.

School Delegation Dines with Hupeh Chairman

A most cordial atmosphere greeted the professors and students at the tea given by the newly elected chairman of Hupeh, Yang Yin-tai, at the provincial headquarters in Wuchang, Saturday afternoon, Jan. 11. He wished the school delegation a bon voyage and hoped that the difficulities and misunderstandings would be brushed aside during the forthcoming conference in Nanking.

Ichang and Siangyang Students Strike

No sooner had the student activities quieted down in the Wuhan area, than they started afresh in two other parts of the province. Ichang, on the Yangtze, west of Hankow, and Siangyang, northwestern Hupeh, both reported students out on a strike.

Dr. Chi-pao, Hupeh Commissioner of Education, has already telegraphed the educational authorities of these two cities urging them to get the students in hand. If the students do not desist from their activities, they are urged to close the schools early for the winter recess.

Hankow, Jan. 11, 1936.

Handy and Harman Brand U. S. Silver Plan an "Abject Failure"

The silver-purchase program of the United States Government was branded an "abject failure" Jan. 12 by Messrs. Handy & Harman, New York silver bullion dealers, who daily fix the price of white metal on the New York market. The annual report of the the firm recommended that the United States should gradually withdraw from the silver market.

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THE GIST OF JAPANESE PRESS OPINION

There is one thing at least in the Naval Parley that throws the Japanese into no small suspicion as to the possible Anglo-American understanding, and that is the British attitude of advocating the American ratio principle, when it is plain that Britain loses much by recognizing America's parity of ratio.—*Tokyo Kokumin.*

What America and Britain propose at the naval parley in London amounts to a claim for the greatest disarmament of the weak nations at the least sacrifice of the highly armed Powers. We should not be surprised under the circumstances if the present conferences should end in a rupture.—*Tokyo Nichi-Nichi.*

The London parley is now on the verge of a breach. This is after all due to the absence of the spirit of disarmament on the part of the participating nations. If Britain and America have such spirit, they ought to recognize Japan's plan of the Upper Limit.—*Tokyo Asahi.*

China is credited with a desire to get the extraterritoriality cancelled in its own territory as it sits in conference with Japan. An immediate agreement to the Chinese proposal may be difficult in view of her internal conditions, but Japan will be the first to cancel it at the right time.—*Tokyo Miyako.*

One onerous yet absolutely necessary task for Japan to accomplish this year is to readjust Sino-Japanese relations. In view of Chinese characteristics, patience is essential to such readjustment and Japan must not be so foolish as to make General Chiang Kai-shek turn at bay.—*Tokyo Miyako.*

Sino-Japanese relations which once appeared to improve have once again been overcast by revived anti-Japanism among Chinese students. Nanking has proposed negotiations with Japan, but the first step to be taken along the lines of such efforts is to put an end to such agitation.—*Tokyo Asahi.*

Japanese economic prospects for 1936 will be influenced as much by conditions abroad as by the Government's domestic policies. The political instability at home renders the prospects more or loss precarious, but the future will nevertheless be bright if a still lower interest policy is pursued.—*Tokyo Jiji.*

Japan's foreign trade during the year of 1935 registered a striking advance. Exports were headed by raw silk and cotton yarn, and imports by raw materials. This reassuring tendency is expected to prevail during 1936 as well, although international political unrest must be taken as warnings.—*Tokyo Yomiuri.*

The Fukuoka-Taihoku air-route is now open to regular service. This, together with the other airline connecting Hsinking with Tokyo via Chosen, paves the way for Japan's future overseas airways. As compared with foreign Powers, however, Japan should pay more attention to such enterprises. —*Tokyo Yomiuri.*

There is already formed a new political party called Showakai, while the Seiyukai shows signs of reforming itself. The new party movement is timely indeed, but the primary condition for its success is the formulation of a definite national policy wherewith to promote popular interests.—*Tokyo Asahi.*

"JAPAN'S CONCERN IS FOR PEACE AND CO-PROSPERITY OF ASIATIC RACES"

(From the Tokyo Nichi Nichi)

The international situation in Europe is fraught with dangerous possibilities. The Far Eastern situation, with Japan at its center, is not so bad. At least, there is a ray of hope. Japan's independent foreign policy is progressing. A policy backed by the power of the nation is destined to be successful. Past experience shows how futile is a policy, such as is often resorted to by China in the Far East and various small Powers of Europe, of playing one foreign country against another. The chief country against which Japanese foreign policy is directed at the moment is China. China is a doubtful entity, domestically and internationally. It is a source of worry to this country. But we cannot be indifferent to China's affairs. If we keep away from China, it may possibly develop conditions similar to those we find prevailing in African countries. The thing for Japan to do in relations with China is to pursue steadfastly its present policy, which is for the maintenance of peace in the Far East and the promotion of the welfare of the Asiatic races. Japanese foreign policy is guileless. In its dealings with foreign countries, Japan is too sincere. Thus the aims of its foreign policy are apt to be misunderstood by the Powers. There are foreign observers who think that Japan's foreign policy is essentially militaristic. But all abroad do not misunderstand our policy. It is gratifying to note an increase in the opinion in foreign countries which regards Japan as the only stabilizing force in the Far East. It seems that the time has arrived for Japan to take steps which will prove that its concern is for peace and for the co-prosperity of the Asiatic races, and nothing else. If the view that Japan is the stabilizing force in the Far East comes to prevail among European and American Powers, China will come to realize the folly of its policy of pitting one foreign country against another for the furtherance of its interests. The important thing is for Japan to act in a manner which will dispel any doubts entertained about the aims of its foreign policy.

Supreme Court Rules Against Administration in Process Tax Case

The U. S. Supreme Court Jan. 13 upheld the Bankhead Cotton Control Bill, but ruled against the Government in what is known as the Louisiana Rice Mills case. The Bankhead Bill, though connected with the New Deal, was the work of a group of Senators from the cotton states and not of the Government itself. In the Louisiana case, the Court ruled that the U.S. $200,000,000 in processing taxes impounded by the courts must be returned to processors. The Supreme Court decision on the Bankhead Bill is to be construed as momentarily favorable to the Administration, as the Court declined, at the moment, to express an opinion on its validity.

By an overwhelming majority, the House of Representatives Jan. 10 passed the Soldiers' Bonus Bill, marking the conclusion of the first skirmish in the 1936 campaign of the nation's war veterans for immediate cash payment of their adjusted service compensation certificates. The bonus is estimated to amount to between $1,000,000,000 and $2,000,000,000 and nearly 3,500,000 ex-servicemen are affected by the bill.

President Roosevelt Jan. 10 issued an executive proclamation extending the life of the Gold Reserve Act for one more year. By so doing, he extended the life of the $2,000,000,000 exchange stabilization fund set up by the act, which expires on January 30, and also the power of the President to vary the gold content of the dollar.

Most experts in Washington attributed the increased inflationary sentiment to the Supreme Court's decision invalidating the A.A.A., which representatives of the farm areas maintain was distinctly disadvantageous to the welfare of the nation's farmers.

Suits Filed for Return of Millions Paid as Processing Taxes

The first suit of hundreds expected to be filed seeking to recover millions of dollars in processing taxes, collected under the now defunct Agricultural Adjustment Administration, was instituted Jan. 8 by two Indiana bakers, who claim about $1,800 for taxes paid on flour.

U.S. Wheat Supplies Greater Than Last Year

The amount of wheat available on United States farms on January 1, 1936 amounted to 159,390,000 bushels as compared with 137,504,000 bushels available on January 1, 1936, the Department of Agriculture reported Jan. 10.

Filipino Found Guilty of Slaying—Aftermath to Argument Over Newspaper Policy

A jury in the Superior Court in Stockton, Cal., Jan. 10 found Fermin Gaetos, 45-year-old Filipino, guilty of murdering a fellow-countryman. The victim was shot down in the office of a Filipino weekly newspaper, of which Gaetos was circulation manager. An argument arose from a discussion regarding the paper's attitude toward the independence of the Philippines.

N. Y. Sportsman Arrested for Sending Threatening Letters to President

Austin Phelps Palmer, wealthy sportsman and retired engineer in New York was arrested Jan. 11 on a charge of sending a number of threatening letters to President Roosevelt as the result of having lost a fortune of $1,000,000.

Du Pont and Raskob Sued for Income Tax

Income-tax claims amounting to $617,000 were filed Jan. 13 by the United States Treasury against Pierre Du Pont, President of E.I. du Pont de Nemours and Company, well-known manufacturers of explosives, and John Raskob, Vice-President of the same concern.

Foreign Diplomats Make Official Calls in Nanking

Sir Frederick Leith-Ross was in Nanking several days this week making a round of calls on Chinese authorities. Sir Frederick and Sir Alexander Cadogan, British Ambassador to China, who had arrived in Nanking from Peiping previously were entertained at a tea reception by the Sino-British Cultural Association Jan. 11. Gen. Chang Chun, Minister of Foreign Affairs, received Sir Alexander Cadogan on Jan. 13. The Danish Minister to China, M. de'Oxholm, called on Messrs. Hsu Mo and Chen Chieh, Political and Administrative Vice-Ministers of Foreign Affairs respectively, Jan. 10. The Danish diplomat also paid his first courtesy call on General Chang Chun, following which he also called on Yu Fei-peng, acting Minister of Communications.

Japanese Banks in China Not to Hand Over Silver

Japanese banks in China will not reply to the request of the Chinese government made late last year that they hand over their silver holdings. *Domei* states that a decision to this effect was reached at a meeting of representatives of the Yokohama Specie, Mitsui, Mitsubishi, Sumitomo, Chosen and Taiwan banks held last week. They did not specifically decide to reject the offer but voted in favor of continuing the attitude of "wait-and-see" adopted at a similar meeting on Dec. 14. They are said to have based their action on the fact that the "results of the currency reform are not yet definite enough." The Nanking government allegedly offered to purchase at par the silver holdings of the Japanese banks in China amounting to about $10,000,000, with the provision that interest would be paid on two-thirds of the amount at the rate of 5 percent for two years.

Should future developments require a change in attitude or should the Chinese government make a new offer, another conference will be held among the representatives of the six banks to consider the problem, *Domei* was informed.

China's Silver Policy Does Not Include Purchase of Sterling

A spokesman of the Central Bank of China during the week emphatically denied reports that the proceeds of recent exports of silver to the United States had been utilized for the purchase of sterling exchange, which, it had been alleged, had contributed to the weakness of the United States dollar in the foreign exchanges. No sterling exchange, he said, had been purchased in any market out of the proceeds of this silver. He knew of no basis, the spokesman added, for the published reports of unusually large sales of United States dollars from Shanghai in recent days.

The U.S. Treasury is stated by the *Journal of Commerce* to be negotiating with the Chinese Government with the ultimate intention of importing 500,000,000 ounces of Chinese silver. Two leading American banks, representing the United States Treasury, were reported by the newspaper to have paid 65 cents an ounce for this silver. The United States, it was added, has already acquired 100,000,000 ounces of the aforesaid amount.

Native Banks Oppose Note Cancellation

More than 60 old-style native banks in Shanghai have formed a joint office to agitate against the proposed cancellation of contracts for the circulation of banknotes, which they entered into with Chinese banks authorized to issue notes prior to the Government's announcement of its policy for the nationalization of silver. Under these contracts, the old-style native banks deposited security of 40 per cent in cash with the issuing banks and received from the latter banknotes for circulation. The issuing banks paid interest on the 40 per cent cash security.

Since the Finance Ministry made the notes of only the Central Bank, the Bank of China, and the Bank of Communications legal tender, some of the issuing banks have proposed to cancel their contracts with the native banks for the circulation of their notes. This means they will stop the payment of the interest on the cash security furnished by the native banks. The latter have appealed to Messrs. Tu Yu-sen, Yu Chu-ting, chairman of the Chinese Chamber of Commerce, and K. P. Chen, chairman of the Chinese Bankers Association, to assist in bringing about a settlement of the dispute, and these three will call a meeting of the parties concerned to discuss the matter.

Tientsin Fixes Ratio Between Coppers and Dollars at 460

In view of the serious effects on the livelihood of the poorer classes by the irregular fluctuations in the value of copper coins, the Currency Association of the Tientsin-Peiping area has fixed the exchange ratio at 460 coppers to one dollar legal tender.

Salary Cut Results from Mistake in Examination Paper

In connection with an error in a question set in an examination paper for the recent Higher Civil Service Examinations, the Central Political Committee, at its meeting Jan. 8, decided to deduct one month's salary from Niu Yung-chien, Chairman of the Civil Service Examination Committee, for neglect of duty. In was decided not to consider the petitions of Tai Chi-tao, President of the Examination Yuan, and Chen Ta-chi, Chairman of the Examination and Selection Committee, asking for punishment over the above matter.

Hsu Mo, Political Vice-Minister of Foreign Affairs, in an interview, promptly admitted that he was solely responsible for the error in a question paper set for the recent Higher Civil Service Examinations. Mr. Hsu added that he had apologized to both Mr. Niu and Tai Chi-tao, President of the Examination Yuan, for the unfortunate slip.

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In the United States Court for China

In re	Cause No. 4005
Last Will and Testament of SUSAN WADDELL HSU Deceased	Special Proceedings No. 1046
	NOTICE OF PUBLICATION

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of SUSAN WADDELL HSU, deceased, to present the same with vouchers to the undersigned on or before August 20, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

W. H. Gleysteen, Executor
Presbyterian Mission
Erh Tiao Hutung
An Ting Men Nei
Peiping

Peiping, China.

Japanese Commerce Minister Suggests Asiatic Bloc

The formation of an economic bloc by Eastern countries bordering the Pacific is advocated by Mr. Machida, Minister of Commerce and Industry, in an article contributed to the *Mainichi* recently. He says that Japan must make an economic advance in the South for this purpose.

Since the World War, begins Mr. Machida, the international economic machine has undergone a revolutionary change, and all nations now adopt a policy of economic nationalism. As a result, tariff walls have been raised, and quotas and kindred measures taken to restrict imports. Yet, even the United States which is blessed with resources, cannot ignore international trade. Poor in natural resources, Japan can hardly hope to be independent; she must import raw materials and sell finished articles abroad. She must stand for free trade.

Since the world is moving in an opposite direction, it becomes necessary for Japan to advance in the South, forge closer economic relations with countries there, and form an economic bloc. While seeking in this bloc an outlet for her overflowing population, she must obtain all her requisites from member countries, instead of relying on Europe and America. It will be when this ideal has been realized that Europe and America will have to discard their "exclusionist" policy.

In another part of the article, Mr. Machida advocates the establishment of a big scientific institution, so that research can be conducted as to the practicability of starting new industrial enterprises on a commercial basis.

In a New Year message given to the press, Mr. Machida records with satisfaction the unusually good results Japanese foreign trade has shown for the past year, notwithstanding the various measures taken abroad for the elimination of Japanese articles. He goes on to say that the future of the export trade hardly admits of unqualified optimism, and emphasizes the need of co-operation between Government officials and traders in meeting the constant changes in the policies adopted by foreign countries.

After discoursing on the activity maintained in various lines of industry last year, Mr. Machida says that the Japanese Government intends to take legislative action for the establishment of the motor car industry. He expresses the hope that this measure will not only be conducive to the progress of industry, but also will stimulate related industries.

Japan Prepares for Trade Talks with India

Increased quotas on Japanese textiles and lower tariffs on imported Nippon-made goods will be sought by the Japanese Government at the forthcoming negotiations for the revision of the Indo-Japanese Trade Agreement to be held this summer. Leading exporters and officials of the Ministry of Commerce and Industry held their first meeting on Jan. 14 to prepare for the conference.

Japan Rayon Production Surpasses That of U.S.

With a 31 percent increase in output over 1934, Japan's artificial silk industry set a new production record during last year, the Federation of Rayon Producers Associations announced Jan. 8. Manufacture reached the total of 201,032,000 pounds in 1935, exceeding by about 14,042,000 pounds the output in 1934 of the United States, the world's largest rayon producing country. Daily national production increased from 390 tons to 530 tons during the year, both by the establishment of new plants and the increased output of old installations. Both exports and domestic consumption of the product kept pace with the increase in production, the survey showed. Use of rayon goods and yarn in Japan jumped by 56 percent in one year from 65,000,000 pounds to 125,000,000 pounds, while shipments abroad increased to 100,000,000 pounds from 77,000,000 pounds in 1934.

Japan's Exports of Cotton Yarn Show Large Gain

Japan's exports of cotton yarn during 1935 showed a gain of nearly 50 per cent as compared with the preceding year, the respective figures being 96,004 and 64,453 bales, the Federation of Cotton Spinners' Associations revealed Jan. 12. Large gains were registered by all countries, excepting those of the Near East, South and Central America, Africa, Australia and the Balkans. Marked increases were shown in the exports of yarn to British India, where the gain equalled 80 per cent, Egypt, 50 per cent, and the Netherlands' East Indies, 30 per cent. The exports of cotton yarn in 1933 totalled 45,094 bales.

Japanese to Bid for Oil Concession in Timor Island

Japan's entry into the internationa race for oil sources is seen in the preparations of financial and industrial interests to submit bids for an oil prospecting concession in Timor Island, in the South Seas. The call for bids of the Portuguese Government-General was reported to the Foreign Office Jan. 8 by Taneki Kumabe, Charge D'Affaires in Lisbon. The tenders are to be submitted before the end of this month. Official circles are paying serious attention to the announcement, in view of the proximity of the island to Japanese possessions in the South Seas.

Hsing Chung Company's Directors Hold First Meeting

The first meeting of the directors of the newly-formed Hsing Chung Company, which will engage in the development of North China, took place in Tokyo Jan. 8. At the meeting a report on the current Chinese political developments was made by Lieut.-Col. Sadaaki Kagesa, Chief of the Manchurian and Mongolian Section of the War Office. Following a report on the company's affairs by Shinui Sogoh, its president and a former director of the South Manchuria Railway Company, the conferees exchanged views. Mr. Sogoh is scheduled to leave for a comprehenive tour of Manchukuo and China as soon as he completes his preparations here for the inauguration of the Company's activities. The Yen 10,000,000 firm was sponsored jointly by the South Manchuria Railway Company and the Government. Its aims, according to Mr. Sogoh, are to develop North China's resources and industries, in co-peration with Chinese interests.

Diet Dissolution Held Unavoidable

The dissolution of the House of Representatives on or about Jan. 21, is held by political circles in Tokyo to be unavoidable, following a meeting of the "strategy board" of the Seiyukai, the opposition party, Jan. 11. A majority of the Seiyukai leaders present at the meeting reportedly favored the introduction of a resolution of non-confidence in Premier Keisuke Okada's Cabinet, thus forcing the Government to dissolve the Diet.

Assurances that the Army, in carrying out Japan's policy towards China, is being motivated by a desire to establish peace in the Orient and strengthen Sino-Japanese friendship will be given by Gen. Yoshiuki Kawashima, War Minister, to the Diet when it resumes its sessions on Jan. 21. Gen. Kawashima is expected to make it clear that Japan's policy towards China has been decided at conferences of officials of the Foreign War, Navy and Finance Ministries, and that a complete agreement in views on the policy exists between the central Army authorities and officials stationed in China. He is further expected to state that the Army desires to secure peace and order in North China.

Japanese War Minister Fetes Siamese Home Minister

Luang Pradit Manudharm, Siamese Minister of the Interior, who is now visiting en route home from London, was the guest of honor at Tokyo a dinner given by Gen. Kawashima, Jan. 11.

Japan's Desire for "Disarmament"

Japanese ambassadors in Washington, Paris and Rome were instructed early this week by Koki Hirota, Foreign Minister, to "use every opportunity" to convince the Governments to which they are accredited of Japan's desire for drastic naval disarmament.

America Shows No Disposition to "Call" Japan at Present

Recent advices from Washington indicate that despite widespread official and public feeling in the United States that the four-year turmoil China since the Manchurian episode has upset the fundamental principle of the Washington treaty, there is no sign of any disposition to seek an adjustment now.

The current trend of President Roosevelt's foreign policy is regarded as indicating his intention to avoid an immediate settlement of outstanding questions either with Japan or China, or both.

Reasons for this apparently innclude:

1.—The full objectives of Japan's policy remain uncertain.

2.—A preponderance of United States Far Eastern trade is with Japan so that commercial interest induces cautious approach to a possible cause of crisis.

3.—A conviction among some high observers that the democratic spirit and the business man's influence are emerging slowly in Japan and may ultimately modify Japan's recent allegedly "aggressive" policy.

4.—The realization that a common front of nations having Far Eastern interests cannot be achieved while Great Britain is preoccupied with the African crisis.

5.—Mr. Roosevelt's preoccupation with internal problems including the forthcoming 1936 presidential election in which he is expected to appear stronger if he satisfies the apparent popular demand for avoidance of overseas strife and friction.

Soviet and Japan Engage in "Radio War"

Technicians of the Chosen Broadcasting Corporation are turned strategists in deciding the location of a new radio station. Upon their choice will depend Japan's supremacy in the war of the ether waves that is gradually gaining impetus between Korean stations and those of the Soviets in Siberia. Seishin, in the northeastern corner of the peninsula, closest to Soviet territory, was first suggested, but Japanese engineers declare that Seoul is the logical location for such a station. According to present plans, the station will have a 100 kilowatt output, which engineers hope will be sufficient to "drown" Soviet broadcasts in the Korean language, which are allegedly of a subversive character. The station is scheduled to be ready for operation early in 1936.

Witnesses Say A.O.F.C. Closed Them Out Without Authority

In the U. S. Court for China, Jan. 8, before Judge Milton J. Helmick, in the hearing of Frank J. Raven, President and Director, and John Warner Brown, Vice-President and Director, respectively of the American-Oriental Finance Corporation, who appeared on remand to answer sixteen charges of embezzlement, fraudulent conversion, false pretences, and larceny by trickery in connection with their official positions and dealings with the American-Oriental Finance Corporation, Lucien Claude Marie Basset, a French exchange broker, stated in answer to Dr. Sellett that in 1933 he first had business relations with the A.O.F.C., through one of their salesman, a Mr. Aufwerder. He testified that he never in writing or verbally authorized the A.O.F.C. to hypothecate or pledge his shares. In one case, he said, a sale was made without his authority between the time the Corporation closed its doors and the appointment of a liquidator.

When Mr. Franklin, is cross-examining, asked:—"Can shares in Shanghai be transferred without the endorsement of the registered owner, witness replied:—"That is not the question. They owe me 400 shares. I don't know how they kept them. It is not a question of putting them in my name, or not. The question is: Am I entitled to those shares? I don't care how they kept them. I naturally thought they were my property. I had confidence in the A.O.F.C. when I started business with them, but not when I had finished."

A characteristic bit of testimony was given at the Jan. 10 sitting by Robert Jones of the Municipal Police concerning the embezzlement of a check for $549.18. The check, according to the witness's testimony, was given to the A.O.F.C. by Mr. Jones in full payment of 50 shares of Electric Bond and Share stocks, but Mr. Jones never received the shares, nor was the money refunded to him.

Mr. Jones, on both direct examination by Dr. George Sellett, Special Assistant to U.S. District Attorney Felthan Watson, and cross-examination by Dr. C. S. Franklin, attorney for Mr. Brown, described several stock transactions with the A.O.F.C.

Concerning his last transaction, for the Electric Bond and Share stock, he said: "These shares, I bought at rock-bottom prices, and when they reached a certain point, I was going to sell and buy a car. Then the bank closed and I never got the car. That would have been my last transaction. Unfortunately, it was too late."

In direct examination, Mr. Jones said he had received a receipt for a check sent to the A.O.F.C.

Sellett: "Did you ever receive the 50 Electric Bond and Share stocks which you paid for with that check?"

Jones: "I did not. When I heard that the A.-O.F.C. had gone smash I sent them a letter, instructing that the under no circumstances were my 50 shares to be disposed of in any way."

Sellett: Did you get the shares then?"

Jones: "No. I received a reply stating that the affairs of the A.-O.F.C. were being placed in the hands of a liquidator.

Sellett: "Did you get back the money which you had paid for the 50 shares?"

Jones: "I did not."

Sellett: "Did you ever at any time authorize the A.-O.F.C. or either of the defendants to pledge or hypothecate those shares?

Jones: "I did not."

Evidence in a similar vein was given at the sitting on Jan. 13 by Stanley G. Kirkland, factory representative in Shanghai for the American Hardware Corporation, and Gordon Yates, general shipping agent for the Glen Line.

Additional evidence was given at several sittings by C. C Curtis of the San Francisco office of A. E. Pierce & Co. He testified that on June 22, 1933, a letter was sent to the A.O.F.C. in Shanghai stating "We recognize instructions from no one other than your good selves, for the securities which we carry for your account."

Shanghai Flood Relief Association Proposes to Hold Lottery

The executive and supervisory committees of the Shanghai Flood Relief Association held a meeting this week and decided, if possible, to hold a lottery for the disposal of more than $100,000 worth of jewels contributed by a Madame Yao towards floods relief. Madame Yao is an aged Chinese lady resident of Soochow, a relative of C. C. Nieh, noted local industrialist and grandson on his mother's side of Tseng Kuo-fan, famed Chinese statesman of the 19th century.

CUSTOMS NOTIFICATION No. 1494

The public is hereby notified that, in accordance with Government instructions, wood boards not exceeding 20 cm. in length, 7½ cm. in breadth and 7 mm. in thickness, imported for manufacturing pencils, will be classified temporarily under Import Tariff heading No. 586 (b) from the 1st January, 1936, but that this ruling will not be applied to pencil boards exceeding the dimensions laid down or to boards which, although conforming with the specified dimensions, are intended for other purposes.

H. O. Tong,
Superintendent of Customs.

Paul Barentzen,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 9th January, 1936.

FAR EAST MAGAZINE

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Development of Trade With South Africa Is Urged

A recommendation that the Ministry of Industry should direct its attention to the development of trade with South Africa has been made by the Central Overseas Affairs Commission. In a recent despatch to the Minister, the Commission pointed out that the ground has already been prepared by Liang Yu-kao, member of the commission, who made an inspection trip to Africa last year. Proposals then made by Mr. Liang with the South African authorities governing the mutual exchange of products were welcomed by the latter, the ministry is informed. The arrival of a ship direct from South Africa this week is an indication that trade between China and South Africa is growing.

Commercial Port to Be Developed at Sanmen Wan

With the approval of President Chiang Kai-shek, a comprehensive scheme for the development of a commercial port at Sanmen Wan Bay, on the eastern coast of Chekiang, has been worked out by General Huang Shao-hsiung, Chairman of the Chekiang Provincial Government. The first step in this direction has been started with a program of road-construction and water conservancy. A highway now being built along the bay with refugee labor, will be opened to traffic in three months. Surveys have also been completed for the construction of dams to facilitate land reclamation work.

N.E.C. to Select Students for River Conservancy Studies Abroad

For the training of technical workers, the National Economic Council will send several students abroad for specialized studies on river conservancy. Competitive examinations will be held in Nanking on Feb. 3.

New Highways for Szechwan and Hunan

Aerial surveying work now being carried on by the Ministry of Railways for finding out a new route for the projected highway linking Hunan and Szechwan is near completion, according to information from the Ministry. With the exception of a small section on the middle of the line, it is understood, the projected route has been mapped. The line runs westward through Yiyang, Shenchi, Tungjen, and Yuanho and terminates at Chungking.

Peiping to Have Municipal Bank

The Peiping Municipal Government plans the establishment of a municipal bank. The capital has been fixed at $500,000, of which $300,000 will be raised by the Tientsin Customs House, and the remaining portion by the Peiping-Liaoning Railway Administration.

Chungking Reports Increased Customs Revenue

A steady increase in Customs revenue for this up-river port for the year of 1935 is reported by the Chungking Customs House. Statistics show that the annual yield for 1935 amounted to $2,300,000, showing an increase of $300,000 over that for 1934. The revenue increased is attributed to the influx of foreign-made goods.

$8,000,000 Secured for New Rail Purchases

Tseng Yang-pu, Vice-Minister of Railways, arrived in Shanghai from Nanking by train over the week-end to sign the contracts for two loans of $8,000,000 each, one from several leading Chinese banks in Shanghai and the other from a German railway material factory which has its agency in Shanghai.

The loan from local banks including the Bank of China, Bank of Communications, and National Commercial and Shanghai Commercial and Savings Bank will be in cash, while that from the German factory will be in materials to be used for the construction of the section from Nanchang to Pinghsiang of the Chekiang-Kiangsi Railway.

Insufficient rolling-stock is the common shortcoming of all government railways in North China, according to Mr. Chang Kiangau, Minister of Railways, who returned to Shanghai last week, after an inspection tour to North China. As to remedial measures, Mr. Chang stated that the Ministry will exert its utmost efforts in increasing the transportation facilities of the railways in the northern provinces. Owing to the pressure of time, Mr. Chang added, he only made a hurried inspection of the Tientsin-Pukow, Peiping-Liaoning, Peiping-Suiyuan and Kiaotsi railways, but had instructed the respective railway authorities to submit detailed plans to the Ministry for improvements.

Taokow-Chinghua Railway Administration Is Abolished

The Taokow-Chinghua Railway Administration having been abolished by order of the Ministry of Railways, Tsou An-tsung, Assistant Managing-Director of the Peiping-Hankow Railway, has taken over charge of the line at Chiaotso, northern Honan. The Taokow-Chinghua line will be operated henceforth as a branch of the Peiping-Hankow Railway.

Long-Distance Phone Network Will Soon Be Ready

Installation work on the long-distance telephone lines linking up the ten cities of Nanking, Shanghai, Peiping, Tientsin, Tsingtao, Tsinan, Hankow, Hangchow, Kaifeng, and Changsha—which constitutes part of the projected nine-province long-distance telephone network—will be completed by the end of February and the services opened to traffic early in March, it is learned at the Ministry of Communications. In order to improve the existing services, the Ministry has also purchased up-to-date telephone sets to be allotted to the long-distance telephone administrations.

Yen Hsi-shan's Land Scheme Is Started in Five Hsien

General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters, in a telegram to the National Government and the Executive Yuan, reported this week that his plans for public ownership of land have been satisfactorily put to the test in five villages in Shansi, including Hopientsun, his native village.

The project is welcomed by the people of the villages in which the experiment has been introduced, the telegram adds.

Loan for Kwangtung Coal Mine Granted by British Boxer Refund Trustees

The Board of Trustees for the administration of the British Boxer Indemnity Refund at a meeting Jan. 13 granted the application of the Kwangtung Provincial Government for a loan for the exploitation of a coal mine at Yungkong.

Geneva Report Discusses Causes of and Cures for Opium Menace

A lengthy report dealing with the causes and cures for the opium menace in the Far East was released in Geneva by the secretariat of the International Labor Office this week.

Recommending above all a general improvement in the living and working conditions of the poorer classes adicted to the drug, the report confines itself to a study of the problem in Burma, Malaya, Sarawak, Borneo, the Netherlands East Indies, Siam, Indo-China, Kwangchowan, Hongkong, Macao, Formosa and the South Manchurian Railway zone. China proper is not included.

The findings of the report are as follows:

1. The use of opium predominates among Chinese laborers in territories formerly won by conquest. It appears less habitual among Chinese born in the country of immigration than among home-born Chinese and the native races coming in contact with the Chinese.

2. Its use tends to diminish working capacity, although it enables the smoker to accomplish difficult tasks at high tension over a certain period. No accurate information has been collected regarding the length of time that the effects of opium may be said to cover.

It has been found in general that the habit is most deeply rooted among workers in the most arduous lines of employment. The causes for its adoption are exile from the smoker's natural social background, absence of family, work in isolated communities, and the impossibility of finding other pastimes and distractions.

"It is not to be doubted," the report says, "that the opium problem would lose most of its acuteness if the conditions and hours of labor were improved for the workmen concerned.

This might be done by reduction of working hours within the normal physical limits for human labor, the organization of medical care, the adjustment of wages to enable the workers to lead a normal life, the creation of facilities to permit them to take their wives and children with them when the conditions of their work involves a long separation, and the organization of more numerous diversions for their leisure hours."

Chiang Kai-shek Orders Precautionary Measures Against Opium Cultivation

General Chiang Kai-shek, in a circular order to the Provincial Governments of Kiangsu, Anhwei, Szechwan, Kiangsi, Hupeh and Hunan, this week ordered that precautionary measures be adopted to prevent the secret cultivation of the opium poppy.

Mother Of Twelve Praises Baby's Own Tablets.

Parents in many parts of the world have come to rely on Baby's Own Tablets for the treatment of their children's health troubles.

One such parent is Mrs. E. J. Mulligan, a Canadian mother, residing at Kazubazua, Quebec, who speaks of the Tablets in these words: "I am the mother of twelve children—all living—and I have given Baby's Own Tablets to them all—for colds, fevers, stomach and bowel troubles and during teething."

The fact that all Mrs. Mulligan's children are thriving is striking tribute to the merits of Baby's Own Tablets as a health corrective for the young. Originated by an eminent medical child-specialist, the Tablets have a mild laxative action and gently cleanse and tone up the little one's stomach and bowels. They dispel constipation, which is a common source of trouble, correct infantile indigestion, allay colic, break up colds and croup, check diarrhoea, expel worms, and are of immediate help during painful periods of teething. From chemists everywhere you can obtain Baby's Own Tablets.

Who's Who in China

Tzechin Lu (Lu Tzu-chin)

呂 子 勤

Tzechin Lu, consular official; born at Hanyang, Hupeh, 1904; graduated from the Peking Academy, 1922, and the Nankai University, Tientsin, 1926; passed the Diplomatic and Consular Service examinations held by the Ministry of Foreign Affairs, 1928; served as chancellor in the Chinese Consulate at Vancouver, B.C., 1929; promoted deputy Consul at Penang, 1930; deputy Consul at Singapore, 1932; Vice Consul at Penang, 1933; appointed the first Chinese Consul at Kuala Lumpur, Federated Malay States, 1933; address: Chinese Consulate, Kuala Lumpur. F.M.S.

呂子勤，湖北漢陽人，一九二二年畢業於北京書院，一九二六年，畢業於天津南開大學。一九二八年，應外交部外交人員考試及格。翌年，即派赴梵柯浮中國領事館任主事，一九三〇年調升檳榔嶼中國副領事，一九三二年任新嘉坡副領事，一九三三年，調回檳榔嶼任領事，同年被委馬來牯拉榔坡總領事。現任斯職。通信處：牯拉榔坡中國領事館。

Ricsha Coolies Wreck Quarters of Mutual Aid Association

Several hundred disgruntled ricsha coolies wrecked the headquarters of the Pullers Mutual Aid Association in East Kashing road, Shanghai, on the morning of Jan. 9. They broke up the furniture, hurled tea cups and teapots around, and beat up several of the staff, including Secretary General T. L. Chiang. Investigation showed that they were disappointed in not receiving an advance for the New Year holidays in addition to other grievances. Several hundred of them went on strike for several days.

Ladies, You Can Turn Back The Clock!

No longer is beauty considered the prerogative of youth. Modern woman demands and obtains beauty throughout the passing years. She snaps her fingers at old Father Time and turns back the clock.

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Men and Events

The annual dinner meeting of Community Church in Shanghai was held in the Church Jan. 15.

Anna May Wong, celebrated Chinese actress, is expected to arrive in Shanghai next month. She is at present in Honolulu.

The Japanese Federation of Machine Industries is planning to hold an exhibition of heavy machinery in Shanghai next May.

According to latest statistics, there are 26 morning and evening newspapers published in Nanking. There are also 43 news agencies and 218 magazines.

C. P. Grandgerard, the newly appointed Far Eastern Manager of the Otis Elevator Company, Ltd., arrived in Shanghai this week on board of s.s. *President Monroe*.

Kung Hsueh-sui, Commissioner of Reconstruction for Kiangsi, will shortly leave for Europe and America on an investigation tour, it is learned from those close to him.

Orders were issued recently to the effect that the Wuhu city wall is to be pulled down. This work is to be done by the people of the city, each able-bodied man doing five days' work.

The National Commercial & Savings Bank at Hongkong, which closed its doors a few months ago, is re-opening shortly. The capital of the bank is being increased from $2,000,000 to $5,000,000.

L. M. Laurie arrived in Shanghai from the United States recently and has joined the local office of the Kelvinator Co. at 984 Bubbling road. Mr. Laurie's home in the United States is Hugo, Colorado.

Maj.-Gen. Rensuke Isogai, Japanese military attache in China, arrived in Tsingtao Jan. 11, enroute to Shanghai. At Tsingtao he met Maj.-Gen. Seishiro Itagaki, assistant chief of staff of the Kwantung Army.

Charles E. Dant, head of the largest lumber company on the north-western Pacific Coast, and also part owner of the States Steamship Line, departed from Shanghai this week on his return to Portland, Oregon.

Paul Hopkins, president of the Shanghai Power Co., who has been away from Shanghai eight months, is due back in Shanghai Jan. 21 by the s.s. *President Jackson*, accompanied by Mrs. Hopkins and their small son John.

According to private advices from Changsha the late Dr. V. K. Ting left a will in which he stipulated that he should be buried where he died. The will further says that the cost of his coffin should not exceed $100.

A five-dollar banknote bearing anti-Japanese slogans has been found by the *Shanghai Mainichi*. The inscriptions read: "Never forget revenge on Japan! Never Buy Japanese Goods! Death to the Dependents of those who sell Japanese Merchandise!"

Cecil Ezra has been appointed adviser of the Ministry of Industry, according to word reaching Shanghai from Nanking. This is believed to be the first time that a foreigner has ever been appointed to this position in the Ministry of Industry.

Samuel Sivertz, former chief margin-clerk in the employ of the American-Oriental Finance Corporation, now in the employ of the liquidator of the defunct Raven establishments, left the Shanghai General Hospital Jan. 11 after a long period of illness.

The ranks of Japanese waitresses in various cafes in Shanghai dropped from 422 in December 1934 to 274 in the corresponding month of last year reflecting, in the opinion of the *Shanghai Nippo*, the acute depression that has gripped the local Nipponese community.

In an address before the Engineering Society of China Jan. 13, Dr. Herbert Chatley, engineer-in-chief of the Whangpoo Conservancy Board, stated well over 1,200,000 cubic yards of material have been lifted and dumped by the Whangpoo Conservancy Board's new giant dredger 'Chien.'

Dr. Y. C. Ma, chairman of the Finance Committee of the Legislative Yuan, will speak at the monthly tiffin meeting of the American University Club in Shanghai on Tuesday, January 21, 12.15 p.m. at the American Club, on "The Present Monetary Policy: My Thoughts and My Expectations."

Doubts that the presence of Hu Han-min in Nanking would bring the allegiance of the Southwest to Nanking were voiced in an editorial of the *Shanghai Nippo* Jan. 14. The ascendancy of the military clique in the Southwest in recent months was given as the main grounds for the daily's scepticism.

In five batches of 600 each, the transfer of the 3,000 Red penitents under the command of Col. Hsin Yao-sin, Director of the Communist-bandit Reformatory Institute, from Kiukiang to Wuchang was completed last week-end. The reformatory, through which hundreds of thousands of Red captives and deserters have been turned into useful citizens during its short span of existence at Kiukiang for a little less than two years, was closed down by order of the Generalissimo's Provisional Headquarters, on account of the fact that the position of anti-bandit activities has been removed to the Northwest where separate reformatory stations are established in Szechwan and Shensi.

The death occurred Jan. 3 of Miss Emma Louise Konantz in the Peiping Union Medical College Hospital. Miss Konantz had been Professor of Mathematics at Yenching University ever since she joined the institution in 1921.

Charged with malfeasance of office by demanding and accepting a bribe of $5,000 from a local Chinese merchant, John Harry Anderson, unrecognized Swede, employed as an examiner for the Chinese Maritime Customs, was brought before the First Special District Court Jan. 13 after spending the week-end in jail.

Encouraged by prospects of an economic exploitation of North China, Koreans are increasingly flocking to Tientsin. Most of these Koreans came from Hsinking and Harbin after failing to make their living in the cities, and the Korean Residents' Association there is daily visited by two or three destitute Koreans.

The University of Shanghai gave its final examinations this week. The winter vacation will begin at 4 p.m. on Jan. 18. Entrance examinations for the college division will be given on Jan. 31 and Feb 1 and for the middle school on February 4 and 5. Registration for the spring semester will be held on February 7 and 8.

Robert J. Cromie, for more than 25 years the editor of the *Vancouver Sun*, Western Canada's leading newspaper, is expected to arrive in Shanghai on another visit in the early part of next month for the purpose of studying political and economic problems here. While in the Orient he will also devote much of his time to Japan and the Philippines.

Quo Tai-chi, Chinese Ambassador in London called on Anthony Eden Jan. 7, in accordance with the custom of Ambassadors and Ministers, who call on a new Foreign Secretary when he takes up office. Mr. Quo and Mr. Eden have become very friendly as a result of frequent meetings at Geneva. They discussed the Far Eastern situation at length.

Admiral Sir Frederic Dreyer, retiring Commander-in-chief of the British China Station, with headquarters in Hongkong sailed for England Jan. 11. His successor, Vice-Admiral C. J. C. Little, who arrived in Hongkong last week, has taken over command. The new Commander-in-chief is the first China-born officer to hold this post, Shanghai being his birth-place.

Dr. Leon Coursin, French expert attached to the League of Nations, who was recently appointed to succeed Robert Hass as a conservancy and highway adviser to China, arrived in Shanghai this week from Geneva. He saw T. V. Soong, member of the Standing Committee of the National Economic Council, here before going to Nanking.

With the promotion of Dr. Wen Yu-ching, Director of the Bureau of International Telegraphs in Shanghai, to the post of Director of the Department of Telegraphs of the Ministry of Communications in succession to Dr. Yen Jen-kwang, the Ministry has decided to appoint Pao Ko-yung, Director of the Shanghai Telephone Administration, as concurrently Director of the Bureau of International Telegraphs.

Owing to the incidence of the Chinese New Year and the political troubles in Chinwangtao region the Kailan Mining Administration is unable to supply local household demands for its coal of the usual grade and is recommending its customers to use in their households a quality of coal usually only used in furnaces and manufacturing establishments—same being offered at a cheaper price.

Hachiro Arita, late Ambassador to Belgium, Jan. 10 formally accepted the offer of the Ambassadorship to China made to him by Foreign Minister, Dr. K. Hirota. He replaces A. Ariyoshi, who is retiring. Mr. Arita is expected to arrive in China middle of February. The new Ambassador to China was formerly Director of the Asiatic Bureau of the Foreign Office, and was one of the Japanese delegates to the Washington Disarmament Conference.

Alleged to have smashed the emblem of the U.S.S.R. and further alleged to have smashed the glass panels on the door to the residence of G. V. Bogomoloff, Soviet Ambassador to China, in Shanghai, on Wednesday afternoon, V. D. Elshin, 34-year old Russian, was brought before Judge Wong in the First Special District Court and, on the application of police, was ordered to be detained for one week, pending inquiries into the motive of his alleged offence.

Advices from Hollywood state that the company which is filming "The Good Earth" has decided to abandon the idea of using only Chinese actors or actual Chinese scenes, but will follow the usual routine of building up local sets and transforming California scenery so as to simulate the Chinese background. Caucasian actors will take the leading Chinese parts, with Chinese born in the U.S. for the minor parts. Only some of the scenes filmed in China will be used.

Arthur and Theodore Sopher, who are brothers and relatives of the late Edward Ezra, and as such for several years guided the destinies of *The China Press* (Shanghai) are now interested principally in real estate. In the course of a recent review of the Shanghai real estate situation they say:—"It would appear that the moment is ripening for entry into the investment field. It must be clearly understood, however, that the term 'investment' here must not be taken to suggest loaning money on property, which is quite a different matter, but it refers to outright purchases."

Out of 6,024 foreign residents in Kobe, 4,391 are Chinese, 327 are East Indians and 120 are Americans.

Col. and Mrs. Isaac Newell of Peiping departed this week for the United States on a long holiday. They expect to return to China next August.

The Japanese community Shanghai has goven notice that it intends to insist on three members of the Municipal Council at the next election, instead of two as in former years.

Seventeen persons were killed near Goodwin, Arkansas, Jan. 14, when a luxury passenger plane of the American Airlines crashed to earth.

A united front in opposing the public telephone rate hike of the Shanghai Telephone Company, effective from March 1, is being urged in circulars issued to local Chinese public bodies by the Telephone Enquiry Committee of the First Special District Jan. 14.

New officers for the current year were elected at a recent meeting held in Nanking by L'Association Amicale Franco-Chinois de Nankin (The Nanking Franco-Chinese Friendship Association). The new general secretary of the Association is Chang Chao, former Chinese Consul-General to Paris, and a member of the Law and Regulation Commission of the Ministry of Communications, and also adviser to the National Overseas Chinese Affairs Commission. Dr. Chu Min-yi, former Secretary-General of the Executive Yuan, was elected Chairman of the Association.

A recent *Reuter* message announcing the arrival in Gilgit (enroute to New Delhi) of Sir Eric Teichmann, Chinese Counsellor of the British Embassy in Peiping, said that Sir Eric will write a report of recent developments in Sinkiang especially the growth of Russian influence, which is seriously hitting British and Indian trade. He is expected to draw attention to the discriminating passport restrictions on Indian traders, on which the Government of India is already negotiating with the Chinese.

Miss Sylvia Chen, the daughter of Eugene Chen, addressed the International Arts Theater in Shanghai Jan. 9 on "Soviet Women." Miss Chen, who recently returned from a five-year stay in Moscow, stated that education plays a foremost part in life there. Marriage is simple, but divorce is getting more difficult now that the family is becoming more solid. There is no alimony for a wife, only support for a child, who always, in case of divorce, belongs to the mother, although the father must pay one-third of his income for its support.

World-Famous Soviet Film "Chapayev" Coming to Shanghai

There will shortly be exhibited in Shanghai another Soviet film "Chapayev, which was awarded the first prize at the International Motion Picture Exhibition in 1935 at Moscow. In New York it was shown for 133 continuous days in the Cameo Theatre and at Nanking the film was repeated many times at the National Theatre. It was applauded and proclaimed as the most exiting spectacular film in Peiping and at Tientsin where it was shown at the Empire Theatre. The Chinese press acclaimed it as the most magnificent epic of film history. "*The Chiluo Jihpao*," ("National Salvation" newspaper) writes: "Chapayev shows the spectator battle fields of the Soviet Revolution. Pages of glorious history of the Soviet Union follow, one after another." The *Sin Wen Pao* said that this film is "a poem and a song masterpiece; it entirely captures the audience's attention and moves you so deeply that tears of sympathy fill your eyes."

The American press also paid high tribute to the film, which will be exhibited either at the Isis or some theater in the Foreign Settlement.

Gest Chinese Research Library in Montreal Is Closed

The Gest Chinese Research Library, housed within the walls of the Redpath Library of McGill University, in Montreal, Canada, was closed last November after having been open to the public for almost a decade. About two years ago, McGill withdrew financial support from the library on the recommendation of the finance committee of the board of governors. At that time also, the department of Chinese studies, which was founded in 1930 under the direction of Dr. Kiang Kang-hu, was discontinued. It was said at the time that "the department had made a valuable contribution towards the promotion of Canadian interest in Chinese culture, history and civilization" and it was "regretted that funds are no longer available for its continuance."

The Gest Chinese Research Library had been growing steadily. Among the library's prized possessions is the complete palace edition of 1739 A.D. of the then 24 dynastic histories of China, as well as Ming editions of several of the separate histories. The exhibits are being put in storage.

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Pamphlets of interest in China bearing the subjects of "Tibet under The Dalai Lama," "The New Life Movement," "Confucius and Present-Day China," "The Buddhist Cave Temples at Yun-Kang," "Guide to Peking," etc., etc., are on sale at:

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Teleg. Address: "Chronicle"

New Books of Interest in the Far East

The American People in History

The Rise of American Civilization. By Charles A. and Mary R. Beard. New Edition. Two Volumes in One. Revised and Enlarged. The Macmillan Company, New York. 1933.

The revised and enlarged edition of the Beards' splendid history of the American people includes, in addition to the material contained in the first edition, a new chapter bringing their presentation of American history down to the economic crisis and the 1932 election campaign. The two volumes of this work have been bound together in one book, though retaining their separate page numbering—824 pages in the first volume (The Agricultural Era) and 865 pages in the second (The Industrial Era).

This book is unquestionably the finest, most scholarly, and most ably and interestingly written account of American life and its development which has so far been published. It may, indeed, mark a new era in American history-writing. For it is no mere matter of dates and names, filled in with notes on dead issues and obscure movements and campaigns, but the living story of a living people. It shows the American people as they were in their early days, the steps in their development, the real nature of American life in colonial days, in early Republican days, in Civil War and post-War days, and so on down to the economic crisis of today. It is utterly different from the American histories usually foisted upon American (and other) schoolboys, and its perusal must come as a revelation to all but the scholarly few who by dint of long delving into things historical have learned more of the subjects treated. But even for these scholars it may come as a revelation, as showing the charm and fascination with which dead men and manners may be made to live and breathe today. For Americans it is of greatest interest, as showing ourselves, our birth, life, and growth,—showing how we got where we are and became what we are. But it is also of importance to everyone, of any nation, desiring to know the real bases and motives of American life. Particularly is this of interest to Chinese desiring to understand the forces conditioning and determining American policy—of considerable importance in the Far East.

The chapter headings alone are significant, though some of them are undoubtedly obscure to those who know only text-book histories of the United States. Volume I, the Agricultural Era, deals with: England's Colonial Secret; Laying the Structural Base of the Thirteen Colonies; The Growth of Economic and Political Power; Provincial America; The Clash of Metropolis and Colony; Independence and Civil Conflict (covering the War of the Revolution); Populism and Reaction; The Rise of National Parties; Agricultural Imperialism and the Balance of Power; The Young Republic; New Agricultural States; Jacksonian Democracy—A Triumphant Farmer-Labor Party; Westward to the Pacific; The Sweep of Economic Forces; The Politics of the Economic Drift; Democracy: Romantic and Realistic.

Volume II, the Industrial Era, starts with the period preceding the Civil War and continues down to the present day. Chapter headings are: The Approach of the Irrepressible Conflict: The Second American Revolution (the Civil War); Rounding Out the Continent; The Triumph of Business Enterprise; Rise of the National Labor Movement; The Triple Revolution in Agriculture; The Politics of Acquisition and Enjoyment; More Worlds to Conquer; The Gilded Age; Imperial America; Towards Social Democracy; America in the Balance of Power; The Quest for Normalcy; The Mirage Dissolves; The Machine Age. There is an excellent index.

In these days when critics both "Right" and "Left" are assailing the system of democratic representative Government, and ambitious men are endeavoring (and in some cases succeeding) to re-establish autocracy and the rule of a privileged class or group under the new label of "dictatorship," it is interesting to turn to the real achievements of the American Revolution a century and a half ago, as set forth so clearly and carefully by the Beards in this book. Suave historians of the kind who write schoolbooks have given very little attention to this, and professional revolutionists of anti-democratic inclinations also have no desire to show the real scope of these achievements. But in fact they amounted to a social revolution—a revolution which was the more successful for having been free of the guillotine and the Terror:

"The spirit of domestic politics, especially in the royal provinces, was distinctly altered by the sudden removal of the British ruling class—a class accustomed to a barbarous criminal code, a narrow and intolerant university system, a government conceived as a huge aggregation of jobs and privileges, a denial of education to the masses, an established religion forced alike on Dissenters and Catholics, a dominion of squire and parson in counties and villages, callous brutality in army and navy, a scheme of primogeniture buttressing the rule of the landed gentry, a swarm of hungry placemen offering sycophancy to the king in exchange for offices, sinecures, and pensions, and a constitution of church and state so ordered as to fasten upon the masses this immense pile of pride and plunder. From the weight of this mountain the American revolutionists delivered the colonial subjects of the British Crown.

". . . . The American Revolution, ... carried to its bitter end by the bayonets of fighting farmers, ... wrought a far-reaching transformation in the land system . . . . First of all, royal limitations on the seizure and enjoyment of vacant lands—notably the prohibition upon the free settlement of regions beyond the Alleghenies contained in the proclamation of 1763—were swept away; and at the same time the 'vast domains of the Crown' were vested in the hands of the state legislatures to be dedicated to the uses of their constituents.

"Secondly, the quitrents paid to the king and to proprietary families, the Penns and the Baltimores, by farmers and planters according to their acreage were simply abolished, relieving America of an annual charge approximating a hundred thousand dollars a year . . . . There was a smashing confiscation of Tory estates, including Sir William Pepperell's Maine holdings extending thirty miles along the coast, the Phillipse heritage in New York embracing about three hundred square miles, the property of the Penn family worth in round numbers five million dollars, and the Fairfax estate in Virginia stretching out like a province. All in all, the Tories reckoned their losses at no less than forty million dollars . . . . The Revolutionists who made this huge sequestration of property distributed the land by sales in small lots on generous terms to enterprising farmers . . . .

"Finally, among the effects of the Revolution on agricultural economy, must be reckoned the abolition of the system of entails and primogeniture. Whereas it took a century of debate and then the corroding taxes of a World War to drive a wedge into the concentrated land monopoly of England, the American Revolutionists brought many an ancient structure to earth by swift and telling blows. Three months after he penned the Declaration of Independence, Jefferson opened a war on the entailed estates of the Old Dominion, . . . and before the lapse of a year he pushed through the legislature an act . . . releasing from entail 'at least half, and possibly three-quarters of the entire "seated" area of Virginia.' Within ten years 'every state had abolished entails excepting two . . . In fifteen years every state, without exception, abolished primogeniture'—all save four placing daughters on an equality with sons in the distribution of landed inheritances.

"Considered relatively, therefore, the destruction of landed privilege in America by the forces unchained in the War for Independence was perhaps as great and as significant as the change wrought in the economic status of the clergy and nobility during the holocaust of the French Revolution . . . .

"The clergy as well as the landed gentry felt the shocks of the American Revolution. When the crisis opened, nine of the thirteen colonies had established churches . . . Before the echoes of Lexington and Concord had died away, an attack on ecclesiastical establishments was launched, and in five of the states where the Anglican clergy possessed privileges and immunities under the law the dissenters . . . were quickly victorious . . . Before the nineteenth century had far advanced, the Congregationalists were finally disestablished . . . .

"The British Government was making its penal code more and more savage; when George III came to the throne in 1760 there were about one hundred and sixty offenses for which men, women, and children were put to death; before the end of his reign nearly one hundred new offenses were added to this appalling list . . . . The American colonists . . . . too had adopted penal codes of shocking brutality . . . Jefferson . . . hastened away from Philadelphia soon after independence to start the revolution in the legal system of Virginia. On his arrival he announced that the law must be reformed root and branch 'with a single eye to reason and the good of those for whose government it was framed!'... In the other states a similar campaign was waged against the barbarities of statute books, now swiftly, now tardily casting into oblivion great fragments of the cruel heritage. Even at the worst the emancipated colonists were in most matters respecting criminal legislation half a century ahead of the mother country....

"The American Revolution was more than a war on England It was in truth an economic, social, and intellectual transformation of prime significance—the first of those modern world-shaking reconstructions in which mankind has sought to cut and fashion the tough and stubborn web of fact to fit the pattern of its dreams."

It is good for Americans to read this book—especially those "Americans" abroad who proffer sycophancy to bloody-minded warlords and politicians standing for everything against which the American fathers fought. It is highly recommended for everyone, however, regardless of nationality. Its references to China and the Far East generally are in the main excellent, and will give Oriental readers a clear understanding of the mainsprings of American policy and fluctuations of policy in this part of the world.

H. H.

"Living China"—A New Book by Edgar Snow

Further indication of an increasing Occidental interest in Chinese life is implied in the news received this week that an anthology of modern Chinese short fiction will be published next spring by the London firm of George G. Harrap & Company. According to information received from Edgar Snow, of Peiping who compiled the volume, it will appear under the title of "Living China."

The book contains "the 30 best modern Chinese short stories." It will be the first book of selected works of contemporary writers of China to appear in the English language. Lu Hsun and Mao Tun, foremost living Chinese authors, have contributed special prefaces. There is also a comprehensive introductory essay analyzing the historical development of Chinese literature from the latter part of the Ch'ing Dynasty through the present revolutionary period—the first study of this kind to be made in English.

Six of the stories are from Lu Hsun's modern classic, the "No Han," and among them is a new translation of the now famous "Story of Ah Q." Other noted Chinese authors represented include Ting Ling, Pa Chin, Sheng Chung-wen, Mao Tun, Yu Ta-fu, Jou Shih, Kuo Mo-jo, Hsu Chih-mo, Sun Hsi-chen, Cheng Chen-tou, Chang Tzu-p'ing, Sha Ting, Mu Shih-ying, Chang T'ien-yi, Lin Yu-t'ang, Hsiao Chien, etc.

In compiling the volume the editor was assisted by advice from some of China's leading literary critics. "Best stories" were suggested by Cheng Chen-tou, editor of "Literature"; Prof. Hsu Ti-shan, of Yenching University; Prof. Ku Chieh-kang, the well-known Chinese scholar; Hsiao Ch'ien, editor of the *Ta Kung Pao* "Literary Supplement"; Lin Yu-tang, author of "My Country and My People"; Lu Hsun; Mao Tun; and others.

The publishers of "Living China" predict that it will prove to be "one of the most surprising books ever published about the country, because here for once the foreign reader will get a glimpse of China as it appears to the Chinese, as they talk and write about it to each other, at this moment.

It is a book which strips from China all the exotic glamor imparted to it by Occidental writers as well as by professional Chinese 'interpreters' who write for the foreign audience. Stories composed by Chinese and for Chinese eyes, they are simple, candid, severely critical, yet deeply human and credible and informative—vivid pictures of one culture in its final stages of decay and of another struggling for social birth and freedom."

"Living China" will be illustrated with Chinese woodcuts done in modern technique.

Sino-British Cultural Group Holds Second Meeting

The second annual meeting of the Sino-British Cultural Association (*Chung-Ying Wen-Hua Hsieh-Hui*) was held Nanking, Jan. 11. Sir Alexander Cadogan, the British Ambassador, presided. Among those present were Dr. Wang Shih-chieh, Minister of Education, Sir Frederick Leith-Ross, economic advisor of the British Government, and Lady Lieth-Ross. Sir Alexander in reviewing the work of the Association during the past year, mentioned among other things that the Association was instrumental in recommending a British expert as professor of water conservancy for Chekiang University, and in arranging for Professor Chang Peng-chun to go on a lecture tour to Britain. The activities of the association served to knit the culture of both countries in a closer bond, he said.

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1935-36

Premier Issue

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The purpose of this year book is to provide the English-reading public with up-to-date information about China. It is prepared in its entirety from direct source materials in the Chinese original by 50 renowned Chinese authorities in their respective fields of endeavor and learning.

The Premier Issue combines a symposium and a chronicle with 2,000 pages of facts and data judiciously selected and concisely presented in some 60 chapters. As this is the first issue, a brief historical background is provided, whenever necessary and possible, on each subject dealt with. There are many chapters worth mentioning, especially Mr. P. T. Chen's thorough treatise on the subject of Public Finance. This section contains considerable data not yet available elsewhere and is a distinct feature which should make the present volume invaluable to students of Chinese affairs.

In this volume, foreign activities, military or naval in nature, in the Chinese territory are also given a place, comprehensive and unavailable elsewhere. The information of the international military body known as Shanghai Volunteers is particularly complete and includes the latest of its developments.

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NEGOTIATIONS FOR SETTLING HOPEI-CHAHAR ISSUES PROCEED IN TIENTSIN; REDS AGAIN ACTIVE IN KWEICHOW

(*Continued from page 232*)

capital of Kweichow, from the east after having captured Chingyuan, a strategic point 120 miles from Kweiyang, according to reports received at Canton Jan. 11. The latest official despatches, however, claim that, reinforced by Nanking troops under General Shangkuan Yuan-shang, the Kweichow provincial forces recaptured Chingkuan after the withdrawal of Ho Lung's men. It is believed that the intention of the Reds in Kweichow, who have been inactive for some time, is to make a burst through to join their comrades under Chu Teh in Szechuan.

The Communists ravaging Kweichow have begun a general retreat towards the north of the province, following the reinforcement of the provincial forces by "crack" Kwangsi troops, according to official reports received in Canton Jan. 11. The Kwangsi troops are stated to be hot on the trail of the retreating Reds, who are being followed and bombed by airplanes. It is confidently expected that Kweichow will soon be rid of the Communist scourge.

General Miao Pei-nan, Chief-of-Staff of the Kwangtung Army, in a statement issued Jan. 13 reviewing the Communist situation, declared that the Reds now invading Kweichow Province comprise the 4th, 6th, 16th and 17th divisions. The main body of the Communists under Ho Lung and Hsiao Keh, he declared, were still concentrated at Kwanghsien, Yuping, Senchi and Lungchi, near the Hunan border. A large number of wounded Reds had been brought to Tungjen, he said, indicating the severity of the fighting now going on. Communists and bandits within Kwangtung, he added, had almost completely been exterminated in all districts and the province was enjoying order and peace.

COMMUNISTS OPEN NEW DRIVE AGAINST SHENSI CITIES

Fresh anti-Red government troops in Shensi as well as Shansi forces are being rushed to North Shensi to cope with the serious menace of Communist remnants which have shown feverish activities since the beginning of the year. Hsu Hai-tung, notorious Red chieftain of Shensi had a conference with Mao Tse-tung and Peng Teh-huai at Wayaochen on New Year's Day when they decided upon co-operation in attacking Yulin and Suiteh in Northern Shensi. On January 5, military reports state, a large horde of well-armed Communists, estimated at over 5,000, launched a severe attack on Wuchen, a town north of Anting, resulting in heavy fighting with government troops for two days and nights. Hard fighting put up by government troops under the command of Ching Yuen-hsiu was reportedly responsible for routing the invading Reds. In the course of the two days fighting over 700 Reds were stated to have been killed, while the government side also suffered high casualties.

After conducting aerial observations over the bandit-infested areas of northern Shensi, General Chang Hsueh-liang, Vice-Commander-in-Chief of the North-western Bandit-suppression Forces, arrived at Taiyuan Jan. 8 from Yulin, northern Shensi, by airplane to confer with General Yen Hsi-shan. He was accompanied by General Yang Hu-cheng, Director of the Sian Pacification Headquarters, Lieut.-General Kao Kuei-tzu, Commander of the 84th Division, and Lieut.-General Sun Chu, Field-Commander of the Bandit-suppression forces in Northern Shensi. Measures for the rounding up of the remnant Reds in northern Shensi were discussed between General Yen and the Young Marshal.

NANKING SPECIAL ENVOYS TO WELCOME HU HAN-MIN LEAVE FOR HONGKONG

Chu Cheng, President of the Judicial Yuan, Yeh Chu-tsang, Secretary-General of the Central Kuomintang Headquarters, and Admiral Chen Chak, Director of Naval Matters of the National Military Council, who have been appointed Nanking's special envoys to proceed to Hongkong to welcome Hu Han-min, recently-elected Chairman of the Standing Committee of the Central Executive Committee, arrived at Shanghai from Nanking Jan. 14. Shortly after arrival, the three official delegates called on Wang Ching-wei, former President of the Executive Yuan, at the latter's private residence for a brief conference. It is understood that Mr. Wang requested Nanking's envoys to convey to Mr. Hu an autographed letter urging the veteran Party leader to come to the Capital to confer on the vital issues of the nation.

The three official envoys sailed for Hongkong aboard the *Empress of Canada* Jan. 15. Niu Yung-chien, Vice-President of the Examination Yuan, and Chen Chia-fu, C.E.C. member, left for Hongkong Jan. 14 aboard the s.s. *President Coolidge*. With Mr. Hu arriving in Singapore shortly on his way back to China from Europe, more officials from Kwangtung, Kwangsi and Nanking are expected to converge at Hongkong to meet the home-coming leader..

Sun Yat-sen University at Canton and recently-elected member of the Standing Committee of the C.E.C. will presently leave Canton for Hongkong to await the arrival of Hu Han-min. General Li Tsung-jen, Commander-in-Chief of the Kwangsi Forces, is also expected to arrive in Canton shortly on his way to the Colony for the same purpose.

Tai Chi-tao and Yeh Chu-tsang, respectively President of the Examination Yuan and Secretary-General of the Central Kuomintang who have been appointed official delegates of the Central Government to greet Mr. Hu, will arrive in Hongkong in time to meet Mr. Hu.

Hsu Chung-chih, Vice-President of the Control Yuan, already arrived in Canton Jan. 12 from Nanking, accompanied by Hu Wen-tsan and Lo Yi-chun to welcome Mr. He in a private capacity.

Elaborate preparations are being made by the Canton authorities to stage a large-scale home-coming reception for Hu Han-min, newly-appointed chairman of the Standing Committee of the Central Executive Committee. A preparations committee has been organized by the municipal Kuomintang Headquarters to take charge of reception affairs. Mr. Hu is expected to reach Hongkong on January 19 and is due in Canton on Jan. 21. The Canton delegation of 10 members, headed by Liu Lu-yin, newly appointed Chairman of the Central Publicity Council in Nanking, left Hongkong January 8 for Singapore to greet the Party leader. The Kwangsi delegation, headed by Mr. Chang Jen-min, newly elected C.E.C. member left Hongkong on Jan. 9 for Singapore on the same mission.

At the request of General Chiang Kai-shek, Wang Ching-wei, Chairman of the Central Political Council, is returning to the Capital shortly for a prolonged stay and rest, according to a *Kuo Min* report. The condition of Mr. Wang's health has shown considerable improvement recently.

Peng Hsueh-pei, former director of the Political Affairs Department of the Executive Yuan under Wang Ching-wei, was appointed Administrative Vice-minister of Communications at the meeting of the Yuan Jan. 14. Presided by General Chiang Kai-shek, president of the Yuan, the meeting also appointed Ke Chang-sze and Chang Li-sheng as Commissioners of Education and Reconstruction for Chahar Province respectively to succeed Chao Po-tao and Chang Wei-fan who have been transferred.

General Chang Chun, Minister of Foreign Affairs, returned his call on Sir Alexander Cadogan, British Ambassador to China, at 3 p.m. Jan. 14. The Foreign Minister received Dr. Oscar Trautmenn, German Ambassador to China Jan. 15.

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The National City Bank of New York, Rates of Exchange

Shanghai, January 15, 1936

Demand selling rate on America:	U.S.$1.00=Sh. $ 3.36
Demand buying rate on America:	U.S.$1.00=Sh. $ 3.31
Demand selling rate on London:	£1.0.0=Sh. $16.69
Demand buying rate on London:	£1.0.0=Sh. $16.44

Latest New York Stock Exchange Quotations

January 15, 1936

Stock Exchange— Business Done:-

Total Volume: 2,790,000 Shares

1934-35 High	1934-35 Low	Div. $ per sh.	STOCKS	Last Sale Jan. 13	Last Sale Jan. 14
11⅝	4	—	Adams Express	11½	11⅝
149	110	4.00	American Can	132	131½
35½	20¼	0.40	Amer. Cyanamid "B"	34⅝	34
9¼	2	—	American & For. Power	7⅞	7⅞
42	14	—	American & Foreign Pwr. $7 pfd.	31½	32
27⅛	10½	—	American Radiator & S.S.	26⅝	26½
159¾	98⅝	9.00	American Tel. & Tel.	157½	159½
107	74¾	5.00	American Tobacco "B"	101¾	101½
23¾	7½	—	American Waterworks	22⅜	23
30	8	—	Anaconda Copper	29¼	29¼
70¼	35¾	2.00	Atchison, T. & S. Fe	70¼	70¼
44½	15	—	Auburn	44	43¾
18½	7½	—	Baltimore & Ohio	18	18⅜
53⅝	21⅝	—	Bethlehem Steel	52½	52
24¼	6½	—	Boeing Airplane Co.,	23¼	23
13⅝	8⅜	—	Canadian Pacific Railway	11⅝	11½
110½	45⅝	—	Case, J. I.	100½	100½
47⅞	20¼	1.40	Chase National Bank	47⅜	45⅝
65½	36	3.00	Chesapeake Corp.	65¼	65⅝
53¼	37½	2.80	Chesapeake & Ohio	54½	54⅞
93½	31	1.00	Chrysler	88⅝	89⅞
15⅝	3⅝	0.20	Columbia Gas & Electric	14⅝	14⅝
23⅞	16½	0.60	Coml. Solvents	21⅝	21½
3⅝	0⅝	—	Commonwealth & Southern (ord.)	3½	3⅝
34¼	15⅞	1.00	Consolidated Gas of N. Y.	32¼	32⅝
13¼	6¼	0.25	Consolidated Oil	13¼	13½
37⅝	15½	62½	Continental Oil	36⅝	37
78⅝	60	3.00	Corn Products	72¼	71⅝
57½	17½	0.75	Douglas Aircraft	56	55⅝
145¼	86⅝	3.60	Du Pont de Nemours	141½	141⅝
20⅝	3¼	—	Electric Bond & Share	17	17⅝
40⅝	20½	0.80	General Electric	38⅝	38⅝
37½	30	1.80	General Foods	35¼	35⅝
58⅞	26⅝	2.00	General Motors	55⅝	55⅝
42½	15⅝	1.00	General Railway Signal	42	42
21½	14⅝	1.20	Gold Dust	20	20
26⅛	15⅝	—	Goodyear Tire & Rubber	23¾	23⅝
69¼	44	1.00	Humble Oil	68½	69½
47	22¼	1.00	International Nickel	45⅝	46¼
14¼	5⅝	—	International Tel. & Tel	15½	15¼
30¼	13¾	0.80	Kennecott	29⅝	30
54¼	31¼	2.00	Loew's Inc.	54	53½
26½	18½	1.20	Lorillard	25⅝	25¼
96½	55	1.00	Monsanto Chemical	96	95⅝
40¼	21⅝	—	Montgomery Ward	37	36⅝
41⅞	18½	1.00	National City Bank	41⅜	39⅝
22⅝	12⅝	1.20	National Dairy Prods.	22⅜	23½
34	23½	2.00	National Distillers	30	29½
14⅝	4⅝	0.60	National Power & Lt.	11½	12½
30¼	12¼	—	New York Central	30⅛	30⅝
79½	9	1.00	North American	28	28⅝
32	13½	1.50	Pacific Gas & Electric	31⅝	32½
55⅞	19	2.40	Pacific Lighting	50⅝	51
8⅛	3½	—	Packard Motors	8	8
34½	17¼	0.50	Pennsylvania Railroad	34½	35
40⅝	13⅜	1.00	Phillips Petroleum	39⅝	40⅝
47½	20⅝	2.40	Public Serv. of N.J	47	48¼
13¾	4	—	Radio Corporation	13	13½
58¼	43¼	3.00	Reynolds Tobacco "B"	57¼	57⅞
55⅞	22	—	Schenley	47⅜	48
65⅛	31	2.00	Sears Roebuck	62⅝	62¼
15⅝	10⅝	0.30	Socony-Vacuum	15½	16
27¼	10¾	1.50	Southern California Edison	27	27
26½	12⅝	—	Southern Pacific	26½	27⅛
19½	12½	0.80	Standard Brands	16	16¼
9¼	1¼	—	Standard Gas & Electric	7⅝	7⅞
54⅜	35⅝	1.00	Standard Oil Co. of N. J	54¾	54⅞
67⅞	38⅝	3.80	Sterling Products	66⅝	67
36⅜	28⅜	2.00	Texas Gulf Sulphur	35⅝	35⅝
14	4⅞	0.30	Transamerica	13⅜	13
75⅝	44	1.60	Union Carbide & Carbon	75⅜	75⅝
114⅝	82½	6.00	Union Pacific	114⅝	116
30¼	9⅝	—	United Aircraft (New)	27¾	27⅝
14⅝	4½	—	United Airline Trans.	14⅛	14½
8⅛	1⅜	—	United Corporation	7¾	7⅝
19	9⅜	1.00	United Gas Improvement	18⅝	18⅝
49½	35⅛	2.00	U.S. Indus. Alcohol	42½	44⅛
18⅛	9⅜	—	U. S. Rubber	17½	17½
50½	27¼	—	U. S. Steel	48⅛	48⅝
24¼	11¾	—	Vanadium	23	23⅞
19¼	2¼	—	Warner Bros. Pictures	10⅛	10⅛
102⅝	32⅝	0.50	Westinghouse Electric	101	100

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